



Daily Report

China

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CONTENTS

22 May 1995

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INTERNATIONAL AFFAIRS

General

Further Reportage on U.S.-DPRK Reactor Talks	1
U.S. To Halt Oil Shipments [XINHUA]	1
Talks Continue in Malaysia [Beijing International]	1
First Day of Talks Ends [XINHUA]	1
Second Round of Talks Begins [XINHUA]	2
Russian Envoy Interviewed on Iran Reactor Sale [XINHUA]	2
U.S.-Russian Summit Analyzed [RENMIN RIBAO 12 May]	3
RENMIN RIBAO on U.S. Sanctions on Iran [15 May]	4
U.S.-Japan Trade Dispute Viewed [RENMIN RIBAO 15 May]	5
Government Signs Anti-Drug Agreement With UN [XINHUA]	6
'Roundup' Views UN-Sponsored NPT Conference [XINHUA]	7
ROK Welcomes Candidacy for UNSC Membership [XINHUA]	8
Delegation Leaves for Russia, Israel, Poland [XINHUA]	8
Ban on Dissidents at Women's Forum To Stand [Hong Kong HONGKONG STANDARD 22 May]	8

United States & Canada

Zou Jiahua Receives U.S. Economic Delegation [XINHUA]	9
Vice Premier Li Lanqing Meets U.S. Editors [XINHUA]	9
PLA Commander Meets U.S. Military Leaders [XINHUA]	9
Jiang Zemin Meets U.S. Architect I.M. Pei [XINHUA]	9
Councillor Li Guixian Leaves for U.S., Canada [XINHUA]	10
Olympic Committee Makes Taiwan Flag Blunder [Tokyo KYODO]	10

Central Eurasia

'Roundup' on Tajik Government, Opposition Talks [XINHUA]	10
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Northeast Asia

Archives on Japanese Germ Warfare To Be Opened [XINHUA]	11
Shandong Secretary Meets ROK Daewoo Delegation [Jinan Radio]	11

Southeast Asia & Pacific

Burmese Official Calls For Sports Exchanges [XINHUA]	11
Editorial Warns Philippines on Nansha Dispute [Hong Kong TA KUNG PAO 17 May]	11

Further on Singapore Prime Minister Visit	13
Goh Meets Shanghai Mayor [XINHUA]	13
Attends Ribbon-Cutting Ceremony [XINHUA]	13
Meets Jiang Zemin [XINHUA]	13
Further on Meeting With Jiang [Singapore Radio]	14
Goh Leaves Shanghai [XINHUA]	14
Li Peng Receives SRV's Nguyen Manh Cam [Hanoi Radio]	14
SRV National Assembly Delegation Holds Talks [Hanoi VNA]	14
XINHUA Delegation, Vietnamese Leaders Meet [XINHUA]	14

Near East & South Asia

Lebanese President To Seek New Prime Minister [XINHUA]	15
CPC Official Meets Syrian Party Delegation [XINHUA]	16
'Roundup' Views New Power Struggle in Nepal [XINHUA]	16

West Europe

Interview With Wu Yi on Sino-European Trade [Hong Kong WEN WEI PO 28 Apr]	17
Symposium To Boost Sino-European Trade [XINHUA]	19
Five-Year Training Program Established [CHINA DAILY 20 May]	19

NATIONAL AFFAIRS

Political & Social

Authorities Round Up Dissidents in Beijing	20
Three Reportedly Detained [AFP]	20
Wang Dan in Custody [Tokyo KYODO]	20
Wang Dan in 'Dispute' [Hong Kong EASTERN EXPRESS 22 May]	21
Six Detained; New Petition Planned [AFP]	21
Editorial Condemns Roundup [Hong Kong EASTERN EXPRESS 22 May]	22
Jiang Said To Boost 'Shanghai Faction' Position [Hong Kong SOUTH CHINA MORNING POST 22 May]	23
Jiang Preface Termed 'De-Dengification' of Policy [Hong Kong EASTERN EXPRESS 22 May]	23
Party Seeking To Overthrow CPC Formed in Nanjing [Hong Kong SOUTH CHINA MORNING POST 22 May]	24
Tian Jiyun Differs From Center in 'Power Struggle' [Hong Kong LIEN HO PAO 16 Apr]	25
New Laws Improve Functions of Local Authorities [XINHUA]	26
Number of Rural Deputies to NPC To Increase [CHINA DAILY 20 May]	26
NPC Official: Democracy 'Step-By-Step' Process [ZHONGGUO XINWEN SHE]	27
'Tougher Steps' To Prevent Wrongdoing Planned [XINHUA]	27
Hu Jintao Inspects Fujian, Discusses Corruption [XINHUA]	27
Li Peng Signs Decree on Police Insignias [XINHUA]	28
Cadres' Children Sent Abroad Ordered Home [Hong Kong HONGKONG STANDARD 22 May]	28
Name Reform Considered Aid in Population Control [XINHUA]	28
Vice Minister at Meeting on Student Nutrition [XINHUA]	29
Railway Minister Stresses Crossing Safety [XINHUA]	29
Symposium on Fertility Regulation Opens in Beijing [XINHUA]	29
Measures Taken To Protect Ozone Layer [XINHUA]	30
CCTV Establishes Media Survey Center [CHINA DAILY 20 May]	30
Approval Needed To Link Networks With Internet [CEI]	31
Table of Contents for QIUSHI No. 10 [RENMIN RIBAO 16 May]	31

Science & Technology

Launch Agreements Signed With U.S. Companies [XINHUA]	31
Satellite Communications for Aviation Planned [XINHUA]	32
Document on Accelerating Scientific Progress Released [XINHUA]	32
Document Summed Up [XINHUA]	32
Emphasis on Agriculture [XINHUA]	34
Reorganize Basic Industries [XINHUA]	35
High-Tech Development [XINHUA]	35
Social Development Research [XINHUA]	35
Basic Science Research [XINHUA]	36
State-Funded Research Bodies [XINHUA]	36
More Expenditure on Science [XINHUA]	37
International Cooperation [XINHUA]	38
Daya Bay Unit Two Reactor Back in Service [Hong Kong SOUTH CHINA SUNDAY MORNING POST 21 May]	38
Official Notes Progress on Cleaner Production [XINHUA]	38

Military & Public Security

Taiwan Paper Says PRC To Test Dongfeng-31 ICBM [AFP]	39
Shandong Secretary Watches Military Performances [Jinan Radio]	39
Shandong Police Force Holds Emergency Drill [Jinan Radio]	40

ECONOMIC AFFAIRS

General

Liu Huaqing, Hu Qili Inspect Electronics Sector [XINHUA]	41
Wu Bangguo Attends Railway Track-Laying Ceremony [XINHUA]	41
State Enterprises Thrive With Streamlined Structure [XINHUA]	42
Largest Light Vehicle Base Formed in Northeast [XINHUA]	42
'Stable' Oil Production in First Quarter [XINHUA]	42
Official on Growth of Paper-Making Industry [XINHUA]	43
Company Pays \$120,000 for 'Honorary Chairman' [XINHUA]	43
*Experts Surveyed on Economic Prospects for 1995 [ZHONGGUO WUZI BAO 2 Mar]	43

Finance & Banking

NPC Said To Consider Draft Trust Law in '96 [XINHUA]	46
Beijing Exchange Acts on Trading Irregularities [AFP]	46
Futures Exchanges Urged To Tighten Risk Management [CHINA DAILY 19 May]	47
Commentator on Protecting Commercial Bank Rights [RENMIN RIBAO 12 May]	47
International Insurance Industry Seminar Held [XINHUA]	48
Sales of Certificate Bonds Exceed \$11 Billion [XINHUA]	48

Foreign Trade & Investment

Violators of U.S. Movie Copyrights Punished [XINHUA]	49
Jiang Zemin on Better Use of Foreign Investment [XINHUA]	49
Center, Northwest To Increase Foreign Investment [CHINA DAILY (BUSINESS WEEKLY) 21-27 May]	50
Paper Cites Analysts' Comments on WTO Entry Talks [CHINA DAILY (BUSINESS WEEKLY) 21-27 May]	51
Customs Issues Circular To Boost IPR Protection [ZHONGGUO XINWEN SHE]	51
Measures Curb Illegal Use of Foreign Funds [ZHONGGUO XINWEN SHE]	52
CAAC To Sustain Development With Foreign Funds [CHINA DAILY 20 May]	52
Report on Import, Export of Automobiles [XINHUA]	52
Coal Ministry Expects Exports of 25 Million Tons [XINHUA]	53
Heilongjiang Proposes Foreign Investor Projects [XINHUA]	53
Foreign Investment in Hubei Increases [XINHUA]	53
World Bank Loans for Liaoning Industry Reform [XINHUA]	54
Joint Venture With Singapore Opens in Shanghai [XINHUA]	54
Foreigners Invest in Shanghai Hospitals [XINHUA]	54
Tianjin Joint Venture With Swiss Corporation [TIANJIN RIBAO 26 Apr]	55

Agriculture

XINHUA Commentary on Role of S&T in Agriculture	55
New Marketing Co-ops 'Big Step' in Reform [CHINA DAILY 19 May]	56
*Henan Agricultural Resources Termed 'Grim' [HENAN RIBAO 8 Apr]	57
Shandong Improves Farmland, Increases Yields [Jinan Radio]	59
Xinjiang Expands High-Yield Cotton Areas [XINHUA]	59
Provinces Help Develop Xinjiang's Agriculture [XINHUA]	60

REGIONAL AFFAIRS

East Region

Fujian Courts Implement National Compensation Law [XINHUA]	61
Fujian Building 1,000-km Protective Sea Wall [XINHUA]	61
Shandong Governor Arranges Work for 1995 [Jinan Radio]	61
Shandong Cracks Car Smuggling Case [DAZHONG RIBAO 24 Apr]	62
Shandong's Weihai Executes 12 Robbers [DAZHONG RIBAO 3 May]	62
Shanghai To Streamline Government Organizations [WEN HUI BAO 28 Apr]	62
Shanghai's Huang Ju on Illegal Activities [JIEFANG RIBAO 29 Apr]	63

Central-South Region

Guangdong Tries To Counter Investment Slump [CHINA DAILY 20 May]	64
Guangdong Enterprise Experiment Meets Resistance [Hong Kong HONGKONG STANDARD 20 May]	65
Guangzhou Deploys More Police To Patrol Streets [ZHONGGUO XINWEN SHE]	65
Shenzhen To Intensify Fight Against Corruption [Hong Kong HONGKONG STANDARD 20 May]	66
Shenzhen Increases Revenues to Central Government [XINHUA]	67
Henan Conducts Birth Control Survey in Jiaozuo [XINHUA]	67

Southwest Region

Further on Dalai Lama Reincarnation Claim	68
BAC Chairman on 'Unauthorized' Act [XINHUA]	68
Tibet Deputies Denounce Claim [XINHUA]	69
Tibetans 'Repudiate' Act [XINHUA]	70
Tibetans Support Beijing's Stand [XINHUA]	72
Raidi Criticizes 'Splittist' 'Clique' [Lhasa Radio]	73
Eighth Tibet CPPCC Standing Committee Ends [Lhasa TV]	73
Yang Chuantang Addresses Tibet Flag Guard Meeting [Lhasa Radio]	74
Tibet's Service Industry Records 'Rapid Growth' [XINHUA]	74

PRC MEDIA ON TAIWAN AFFAIRS

Qian Qichen Addresses Taiwan Representatives	76
On 'One Country, Two Systems' [XINHUA]	76
On Cross-Strait Reunification [XINHUA]	77
ARATS, SEF Cross-Strait Talks Set for July [XINHUA]	78

TAIWAN

Reportage on Li Teng-hui's Planned U.S. Visit	79
Negotiations Continue 20 May [CNA]	79
Paper Says Clinton Approves [Tokyo KYODO]	79
Official Says U.S. Agrees [CNA]	79
Ministry Refuses Comment [CNA]	80
Li Views Visit [Taipei Radio]	80
Governor Urges 'Favorable Decision' [CNA]	81
Li Expresses Gratitude for Popular Support [CNA]	81
Government Releases Book on Li's Leadership [CNA]	81
Poll: Majority Share 'Favorable View' of Li [CNA]	82
Taiwan, Beijing Agree on Preparatory Talks [CNA]	82
Police Round Up Illegal Immigrants [CNA]	83
Ministry Comments on Response to Shipping Plan [Taipei CHUNG-KUO SHIH-PAO 18 May]	83
Ministry Warns of Increased Deficit With Japan [CNA]	84
Taiwan Threatens Cancellation of Conference [CNA]	84
Over U.S.\$200 Billion in Foreign Trade Expected [CNA]	84
Economic Affairs Minister Chiang To Visit Italy [CNA]	85

HONG KONG & MACAO

Hong Kong

Reportage on 'Boat People' Clash at Camp	86
'Hundreds' Protest 20 May [AFP]	86
'Roundup' Views Relocation [XINHUA]	86
'All-Day Battle' Detailed	

[Hong Kong SOUTH CHINA SUNDAY MORNING POST 21 May]	87
Tensions 'High' 21 May [AFP]	88
Government 'Almost Lost Control' [Hong Kong SOUTH CHINA MORNING POST 22 May]	89
Editorial Views Cause [Hong Kong HONGKONG STANDARD 22 May]	90
Resistance Linked to U.S. Congress [Hong Kong SOUTH CHINA MORNING POST 22 May]	91
Frustration Said Fueled by U.S. [Hong Kong EASTERN EXPRESS 22 May]	91
Lu Ping Leads PWC Group to Hong Kong 15 May [XINHUA]	92
JLG Leader Blasts British Behavior on Court [ZHONGGUO XINWEN SHE]	93
Lu Ping: Court of Final Appeal in Place 1 Jul [Hong Kong SOUTH CHINA MORNING POST 20 May]	93
Government To Rewrite Court of Final Appeal Bill [Hong Kong SOUTH CHINA SUNDAY MORNING POST 21 May]	94
Editorial on Hong Kong Appeal Court Dispute [Hong Kong WEN WEI PO 17 May]	94
Lu Ping Interviewed on March Tour in U.S. [Hong Kong WEN WEI PO 31 Mar]	96
Zhou Nan Urges Involvement in Preparatory Work [XINHUA]	97
Committee's Members Visit Immigration Office [XINHUA]	98
Coverage of Current PWC Meetings, Issues	98
Legal Panel Ends Meeting [XINHUA]	98
PWC Group Proposes Powers [ZHONGGUO XINWEN SHE]	99
Economic Subgroup Ends Meeting [XINHUA]	100
'Roundup' Views PWC [XINHUA]	100
Article Views Reporters' Rejected Applications [Hong Kong LIEN HO PAO 19 May]	101
Security Criticized After XINHUA Office Incident [Hong Kong EASTERN EXPRESS 20-21 May]	102
Britain Warned Over Airport Talks 'Obstacles' [XINHUA]	102
UK, Mainland 'Fracas' Seen Over Terminals [Hong Kong EASTERN EXPRESS 20-21 May]	103
Mainland Considers Approach to Petitioners [Hong Kong HONGKONG STANDARD 20 May]	104
Editorial Accuses UK of Effort To Retain Power [Hong Kong WEN WEI PO 1 May]	104
Editorial Views Reappraisal of '4 June' [Hong Kong SOUTH CHINA SUNDAY MORNING POST 21 May]	106

General

Further Reportage on U.S.-DPRK Reactor Talks

U.S. To Halt Oil Shipments

OW1905165895 *Beijing XINHUA in English*
1518 GMT 19 May 95

[FBIS Transcribed Text] Washington, May 18 (XINHUA) — The United States will not ship additional oil to the Democratic People's Republic of Korea (DPRK) until a satisfactory program has been worked out to ensure that there is no diversions of oil, Secretary of State Warren Christopher said here today.

Christopher told the Foreign Operations subcommittee of the Senate Appropriations Committee that there had been "some relatively minor diversions of oil" into the production of iron and steel rather than to the production of electrical energy in the DPRK.

Under a framework accord signed last October in Geneva, the United States promised the DPRK to supply oil as interim alternative energy when the DPRK is freezing its nuclear programs.

As part of the plan, the United States delivered 50,000 tons of oil to the DPRK earlier this year.

"We let the North Koreans know that we would not be furnishing any additional oil until we'd worked out a program to ensure that there's be no further diversion," Christopher said.

The next oil shipment is due in October.

But the Secretary emphasized that the diversions of oil by the DPRK were not into its military purpose.

The DPRK offered to engage in a discussion on that subject, but those discussions have been held up due to the stalled talks on the overall light-water reactor project, Christopher said.

"Until we have completed the program for the furnishing of the light-water reactor in a satisfactory way — and that is to include a satisfactory degree of South Korean involvement," Christopher threatened, "we will not go forward with the discussions of the oil nor will we furnish any additional oil."

The United States and the DPRK have agreed to resume their talks on light-water reactor project in Kuala Lumpur, Malaysia on May 19.

Talks Continue in Malaysia

SK2205011695 *Beijing China Radio International in Korean* 1100 GMT 21 May 95

[FBIS Translated Text] The United States and Korea resumed talks on the Korean nuclear issue in Kuala Lumpur, the capital of Malaysia, on 20 May.

The U.S. side said that in the first round of talks the two sides had a comprehensive and in-depth discussion on the implementation of the agreed framework on the nuclear issue achieved in October 1994.

A spokesman for the U.S. Embassy in Malaysia told reporters after the talks that day that the U.S. delegation was led by Thomas Hubbard, U.S. deputy assistant secretary of State, and the Korean delegation was led by Kim Kye-kwan, vice foreign minister, and that the talks were held at the U.S. Embassy in Malaysia.

It has been learned that the delegates of the two sides will continue to hold talks on the nuclear issue at the Korean Consulate in Malaysia on 22 May. The high-level talks were held at the request of the U.S. side after the light-water nuclear reactor talks in Berlin broke down in April. The delegations of the two countries briefly expressed their positions on the talks to the media upon their arrival in Kuala Lumpur on 19 May.

Hubbard hoped that the light-water reactor issue will be settled soon so that the basic framework will be implemented. The Korean delegation said in a written statement that the Korean side will watch in the talks to see if the U.S. side has the will to resolve the issue.

First Day of Talks Ends

OW2005143495 *Beijing XINHUA in English*
1420 GMT 20 May 95

[FBIS Transcribed Text] Kuala Lumpur, May 20 (XINHUA) — Negotiators of the United States and the Democratic People's Republic of Korea (DPRK) ended here today their first-day discussions in the resumed nuclear talks between the two countries without disclosing any results.

U.S. Principal Deputy Assistant Secretary of State for East Asian and Pacific Affairs Thomas Hubbard and DPRK Vice Foreign Minister Kim Kye-kwan left the U.S. Embassy in the evening after their talks which started at 10:00 a.m. local time.

The U.S. Embassy, served as the meeting venue, said the two delegations, set to go on with their discussions "for several days," are scheduled to reconvene on Monday [22 May] at the DPRK Embassy here.

Under the Geneva framework agreed upon last October, Washington should provide Pyongyang with new

light water reactors to replace the DPRK's graphite-moderated reactors, as a way to dispel U.S. suspicion over the DPRK's purpose of its nuclear program.

The DPRK has rejected the offer of South Korean reactors out of safety concerns.

The Berlin talks in mid-April collapsed because of the absence of an agreement on the arrangement.

Hubbard said the U.S. hopes to find a quick resolution to the differences while the DPRK delegation said it is time to "check up U.S. credibility" in dealing with the issue.

Second Round of Talks Begins

OW2205061795 *Beijing XINHUA in English*
0602 GMT 22 May 95

[FBIS Transcribed Text] Kuala Lumpur, May 22 (XINHUA) — The nuclear talks between the United States and the Democratic People's Republic of Korea (DPRK) entered into the second round at the DPRK Embassy here today.

The first round ended at the U.S. Embassy Saturday, but there has been no disclosure on the discussions.

Today's sessions started at 10:00 AM when DPRK Vice Foreign Minister Kim Kye-kwan shook hands with U.S. Principal Deputy Assistant Secretary of State for East Asia and Pacific Affairs Thomas Hubbard before photographers.

The talks are aimed at sorting out the differences over the provision of light water reactors to Pyongyang in exchange for the freeze and eventual dismantlement of its graphite-moderated reactors under the Geneva framework agreement reached last October.

DPRK has refused to accept South Korean reactors.

DPRK Embassy Councillor Choe Song-ho told reporters this morning, "We don't recognize the South Korean type of reactors, we don't know what's South Korean reactors, we want U.S. responsibilities..."

Prior to the talks today, representatives of the U.S., South Korea and Japan met at the U.S. Embassy here. The meeting began at 9:00 AM with the South Korean Delegation led by Chang Chae-yong, minister of South Korean Embassy in Washington, and the Japanese Delegation headed by Yukio Takeuchi, deputy director-general of Asia Affairs at the Japanese Foreign Ministry.

According to a U.S. official, the U.S. side briefed them on the progress of the first round of talks.

South Korea and Japan are reported to be involved in the reactor provision program of the multi-national Korean Peninsula Economic Development Organization.

Russian Envoy Interviewed on Iran Reactor Sale

OW2105141995 *Beijing XINHUA in English*
1353 GMT 21 May 95

[By Chen Ming]

[FBIS Transcribed Text] Tehran, May 21 (XINHUA) — Russia will deliver a nuclear power reactor and a submarine to the Islamic Republic of Iran if it fulfills the financial obligations, the Russian ambassador to Iran said today.

In an exclusive interview with XINHUA, Russian Ambassador Sergey M. Tretyakov said, "Russia will go on with nuclear cooperation with Iran in conformity to the Nuclear Nonproliferation Treaty (NPT)."

Tretyakov, who has served as a diplomat in Iran for 10 years, said Russia will not delay the delivery of the reactor to Iran for a 1,000 megawatt nuclear power plant in Bushehr.

Under the 1 billion U.S. dollars nuclear power project contract signed here on January 8, the Russian ambassador said, the Iranian government has to pay 10 percent at the end of this year as the first installment.

"This is not a credit deal but a cash deal. If the Iranians pay 10 percent, we will deliver 10 percent of the nuclear power plant. The whole project is expected to complete within four years," he added.

From the political point of view, he stressed, Russia has no problem in delivering the reactor to Iran. "But many things are related with Iranian capability to fulfill the financial obligations."

The Russian ambassador said there are about 150 Russian physicists in the Bushehr nuclear power plant site, doing feasibility studies. "It is a more difficult project because we have to finish the project on the basis of Germans." [sentence as received]

The nuclear power plant contract was signed by Russian Atomic Energy Minister Viktor Mikhaylov and Reza Amrollahi, Iranian Vice-President and head of Atomic Energy Organization of Iran (AEOI).

Under the contract, Russia will help Iran complete the Bushehr nuclear power plant in southern Iran by supplying equipment and facilities as well as raw materials such as fuel for operation.

The project has turned into a hot topic and a major dispute between Russian President Boris Yeltsin and U.S. President Bill Clinton in Moscow early this month.

The United States tried to press Russia to cancel the nuclear deal with Iran in the summit, but it failed. The

United States and Israel even threatened to strike the nuclear facilities in Bushehr.

Tretyakov noted that neither Israel nor the United States managed to provide proofs and evidences regarding the Iranian so-called nuclear weapon program.

"I think what some Israelis said is just a political propaganda and pressure on Iranians and Russians. If Israel takes any action of this kind, it would be a violation of the international law. There is no ground for such acts. Russia's reaction will be reciprocal," he added.

As to the question about the latest U.S. move to increase its forces in the Persian Gulf, the ambassador said, the recent U.S. decision is a proof that they are going to follow the policy of dual-containment toward Iran and Iraq in the future.

"Its purpose is to increase psychological military pressure upon the Iranian leadership and the whole society," he said.

However, he ruled out the possibility of military confrontation between the U.S. forces and the Iranian forces, adding that "Neither the United States nor Iran will try this kind of military exercises."

On the strategic relations between Russia and Iran, he said, Russia regards Iran as an important country in the region for the long-term, so it has various kinds of cooperation with Iran, including in the national defense.

He said Russia has provided some equipment to enhance Iran's defense capabilities — but purely for offensive purposes. Russia has delivered two Kilo submarines to the Iranian Navy.

As to the third Russian submarine, he added, financial negotiations are still under way. "If they solve the financial dispute, we are ready to deliver the submarine."

The Russian Ambassador also disclosed in the interview that the his country and Iran are preparing 10 major documents for Russian President Boris Yeltsin to sign with his Iranian counterpart during his forthcoming visit to Tehran.

According to the ambassador, the documents cover the political, economic and cultural fields. The two countries will lay down framework of agreement regarding the major cooperation in the future.

Nevertheless, he noted, "we should always keep in mind two things. Every visit of such level should be prepared quite well. It is not a protocol trip."

He said the exact time will be fixed when these documents are finished and presented to President Yeltsin.

As to the second point, he added, the visit should be fit to President Yeltsin program. And internal and external conditions such as parliament and presidential election should be taken into consideration.

He said he did not exclude the possibility that the visit by the Russian president to Tehran will take place this year.

U.S.-Russian Summit Analyzed

HK1905143195 Beijing RENMIN RIBAO in Chinese
12 May 95 p 6

["News Analysis" column by staff reporters Huang Qing (7806 2532) and Xu Hengsheng (8079 1854 3932): "Not Very Many Concessions Have Been Made and Differences Remain Unchanged—an Initial Analysis of the Meeting Between the U.S. and Russian Heads of State"]

[FBIS Translated Text] U.S. President Clinton held four hours of talks with Russian President Yeltsin in the wake of the activities commemorating the 50th anniversary of the victory of the anti-fascist War. It was reported that the two sides discussed a series of issues, including NATO expansion to the east and the European security system, Russian-Iranian nuclear cooperation, the Chechnya crisis, the antiballistic missiles treaty, the nuclear non-proliferation treaty, the European conventional disarmament treaty, U.S.-Russian economic cooperation, and joint efforts to deal with terrorist activities. In addition, the Russian and U.S. leaders issued several joint statements on international issues and bilateral relations.

From the news conference jointly held by the two presidents, we can see that the two sides have made concessions on some issues, but no great breakthrough has been made in areas where there are major disputes.

With respect to the issue of NATO's expansion to the east, Yeltsin agreed to support the plan for "peaceful partnership" with NATO, while stating that the Russian position opposing NATO's expansion remained unchanged. Clinton said that it was necessary to push forward the dialogue between NATO and Russia on establishing "special relations." He affirmed that NATO expansion would be gradual, cautious, and transparent and would take into consideration the interests of all "peaceful partners." The Russian side continued to insist that the Conference on Security and Cooperation in Europe (CSCE) must continue to play the "central role" in safeguarding European security, whereas Clinton admitted that "the two sides failed to reach a meeting of the minds" on that issue.

Regarding the issue of Russian-Iranian nuclear cooperation, the Russian side agreed to refrain from selling to Iran gas centrifuge technology and related equipment capable of extracting uranium and agreed to put off the sale of two nuclear reactors for the time being, while at the same time stating that Russia "does not fear any threat," aiming at the U.S. Congress threat to cancel aid to Russia. The U.S. side said that "substantial progress" had been made on that issue. The two sides decided to form a committee, headed by U.S. Vice President Gore and Russian Vice Premier Chernomyrdin, to study the issue before presenting a conclusion to the presidents of the two countries. It was reported that Clinton provided Yeltsin with six pages of information on Iran's nuclear weapons development program to influence his decision.

On the Chechnya issue, Clinton expressed his unhappiness with Russia by declining to attend the Russian military parade and expressed in an open speech the demand for ending the war in Chechnya as quickly as possible and finding a peaceful settlement for the issue. Yeltsin said that the Chechnya issue was Russia's internal affair, that there was no military conflict in that area, and that the Russian Army was only recovering weapons there.

With respect to strategic arms reduction, the two sides agreed to urge their respective congresses to approve "the treaty on the second-phase of strategic arms reductions," to issue principled statements on the so-called "tactical antimissile defense system" issue, and for each side to respect the installation of biological weapons of the other in August this year.

Furthermore, in a speech delivered at Moscow University, Clinton discusses "democracy" and the "market economy" at length, targeting Russia's problems in a bid to affect the political progress of Russian society.

Generally speaking, when one takes into consideration the low expectations before the talks, the results of the recent meeting between the U.S. and Russian heads of state can be called satisfactory; as U.S. Secretary of State Christopher put it, with regard to the issue of Russia selling nuclear reactors to Iran, "we got more than we had expected on Wednesday," despite the fact that it was still a long way from the U.S. hope of encouraging Russia to call off the nuclear deal completely. On the issue of U.S.-Russian relations, both Clinton and Yeltsin came under relatively great domestic pressure. In the United States, because the Republicans won majorities in the general congressional elections last year, some Republican congressmen have demanded that United States take a tough stand toward Russia in the wake of the Chechnya incident; consequently, the Clinton adminis-

tration has faced greater restrictions in foreign affairs. In Russia, the romantic longing for Western democracy seems to have faded somewhat, with the pressure of nationalism in society and the congress rising along with disappointment and revulsion against the United States, and the appearance of the phenomenon of divided policies from various sources and confused signals in foreign affairs. Besides, both the United States and Russia will face presidential elections next year, and are in a period of political transition. For both the Clinton and Yeltsin administrations, the worsening of bilateral relations would be an unbearable policy failure; nevertheless, it is impossible for either side to make excessively great concessions to the other on issues that involve important interests and policy goals. Such being the case, they could only relax somewhat on some special issues while by-passing some disputes or putting them off and reach a principled common understanding by dwelling on the abstract and avoiding real issues, thus steering clear of direct confrontation to maintain the basic pattern of U.S.-Russian situation over the past year or so.

RENMIN RIBAO on U.S. Sanctions on Iran

HK/905/25795 Beijing RENMIN RIBAO in Chinese
15 May 95 p. 6

["International Forum" column by Li Xuejiang (2621 1331 3068): "Alone and Helpless"]

[FBIS Translated Text] On the evening of 7 May, U.S. President Bill Clinton formally signed an administrative decree on imposing comprehensive sanctions against Iran, under which the United States will sever all trade and investment ties with Iran. The United States also called on other countries to adopt the similar actions to exert pressure on Iran.

It is beyond doubt that this move on the part of the United States will increase Iran's economic difficulties to a certain extent. However, experience has shown that, in the boundless ocean of global trade, economic sanctions are like a torn net which has limited effect.

First of all, this decision is not in the interest of U.S. firms. As the business community is dissatisfied with it, it is not certain whether they will follow the government's move. In fact, after the Iranian revolution in 1979, the United States began imposing sanctions against Iran, yet some U.S. companies did not fully suspend their trade with Iran. Last year, three U.S. petroleum companies, including Exxon, purchased petroleum worth \$3.5 billion from Iran, which was re-exported to other countries. It accounted for 25 percent of Iran's crude oil exports. It is estimated that the volume of U.S.-Iran trade reached \$4.25 billion last year, ranking

first among the western countries by surpassing Germany and Japan. Now that they are suddenly required to stop trading with Iran, they are certainly complaining a great deal. They argue that Europe, Japan, and other countries will take advantage of the withdrawal of the U.S. companies and that it is the U.S. companies that will suffer as a result. Because the United States banned the sales of Boeing 747's to Iran last year, the latter purchased airbuses from Europe.

Second, the effectiveness of sanctions relies on the support of allies and partners. However, so far, only the voice of the leading singer but not the chorus is heard. It is reported that Britain, Germany, Australia, and Canada have declined to participate in the sanctions. France said that it did not believe a unilateral embargo would be effective. Japan, which imports 9.7 percent of its needed crude oil from Iran annually, has only deferred its decision to provide loans for Iran. Italy indicated that it will first "study" the matter. So far, only Israel made it clear that it supports the sanctions. This is not difficult to understand. As it is difficult for the United States to stop its companies from trading with Iran, how can it require other countries to do the same? A diplomat from Europe said indignantly: The United States is pressuring us not to provide export credit insurance for trade with Iran, but its companies have secretly gone to Iran to do a great deal of business. In addition, the United States insists that Russia must cancel its contract for the sale of nuclear power plants to Iran. Viewed from the result of Clinton's trip to Moscow, however, the United States has only achieved limited concessions from Russia.

Evidently, in the new round of diplomatic actions against Iran, Washington can barely find supporters; even worse, it may find itself alone. An article in the LOS ANGELES TIMES predicted, "In its quest to isolate Iran at all costs, the United States may find itself isolated."

Since the Cold War ended, the West's unifying power has gradually disappeared with the loss of a common enemy. All countries are more concerned about their own economic interests and no longer follow the U.S. lead. Moreover, facts have demonstrated that sanctions are definitely not a panacea. The United States has blockaded and enforced an embargo against Cuba for 33 years, but it still fails to strangle this small country close at hand. Neither have sanctions against Libya in the past few years succeeded in forcing Libya into submission. The United States has also not achieved its goal by imposing a trade embargo on Iran for 16 years. As sanctions have proved ineffective every time they have been used, who will blindly follow the United States? Therefore, by imposing further sanctions

against Iran, the United States will eventually fall into an embarrassing situation of being alone and helpless.

U.S.-Japan Trade Dispute Viewed

HK1905135295 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 15 May 95 p 6

["Special article" by Tian Ri (1131 2480): "Turmoil Over U.S.-Japan Trade Friction Arises Once Again"]

[FBIS Translated Text] The latest round of the U.S.-Japan car trade talks was held in Canada from 1 to 3 May, but both sides failed to reach an agreement after five days of talks. The negotiations broke down again.

The United States threatened to exercise "several options" in trade sanctions against Japan. It is reported that the U.S. Government has drawn up a list of retaliatory tariffs against Japan involving more than \$1 billion of commodities, which concentrate mainly on car and car parts. One of the options is to impose high punitive tariffs on Japanese luxury sedans exported to the United States priced at \$30,000 or above. Japan also pledged that, if the U.S. Government were to announce its retaliatory trade list, Japan would seek arbitration from the World Trade Organization.

The US-Japan trade friction is long-standing. During the Group of Seven [G-7] summit held in Tokyo in July 1993, the United States and Japan reached a framework agreement on resolving bilateral trade issues. Apart from stipulating that consultations should be conducted regularly to correct the trade imbalance between the two countries, the agreement also designated four areas — car and car parts, telecommunications equipment, medical equipment, and the service sector — as the main topics to be discussed for some time to come in an attempt to make Japan open up its market further.

In the talks held between U.S. President Bill Clinton and Japanese Prime Minister Tomichi Murayama on 11 February 1994, Japan, for the first time, said "no" to the United States. As a result, no agreements were struck, and the two sides parted unhappily. The United States has brandished the big stick of the "Super 301 Clause," threatening to impose sanctions against Japan. In June of the same year, the United States and Japan reopened trade talks, which broke down again in July. The United States announced that, if Japan still failed to adopt satisfactory measures to open its market by 30 September, the U.S. Government would impose trade sanctions against Japan starting 1 October. However, before the deadline arrived, the United States and Japan resumed their trade negotiations. After nearly 20 hours of hard negotiations, the two sides finally reached a partial trade agreement, thus temporarily averting an

imminent trade war. The failure of the latest round of talks on the car trade is the third time the trade talks between the two countries have collapsed since July 1993.

Why is the U.S.-Japan trade friction intensifying? Why have the trade talks between the two countries broken down again and again? The most important reason is that the U.S. trade deficit with Japan is expanding with every passing year. It surged to \$66 billion in 1994, an increase of 9 percent over the 1993 figure of \$59.3 billion. In the face of the serious trade imbalance between the two countries, the United States became very anxious, because it has a bearing on the immediate interests of U.S. enterprises and will affect the operational scale and speed of the entire national economy. U.S. Trade Representative Mickey Kantor said the United States' mammoth trade deficit with Japan is one of the main contributing factors to the high unemployment rate in the United States.

The United States is convinced that an important way to overcome the U.S.-Japan trade imbalance is to demand that Japan open up its market to expand U.S. exports of commodities to Japan. The United States demands that Japan set "tangible and concrete standards" to measure the level of market opening in various fields in a bid to ensure that the market share of foreign commodities in Japan continues to expand. Japan says, however, that the government can only draw up measures to open its market but cannot make a commitment that the imports will increase. It even accuses the United States of implementing "managed trade" with Japan.

Of the current huge U.S. trade deficit with Japan, the car and car parts trade deficit has reached \$37 billion, accounting for 60 percent of the total trade deficit. The United States wants to export more cars and car parts to Japan so as to reduce the unfavorable balance. For this reason, the United States insists on extending the "voluntary purchase plan" reached between the United States and Japan in 1992. According to the plan, Japanese car manufacturers should voluntarily purchase U.S.-made car parts worth \$19 billion in the next two years. Given that the "voluntary purchase plan" has expired in March this year, Japan rejected the extra U.S. demands. The Japanese side also said that the import of U.S.-made car parts should be determined by Japanese car manufacturers, in which the Japanese government should not meddle. As the two sides failed to make concessions on this issue, the latest round of U.S.-Japan trade negotiations has broken down.

Government Signs Anti-Drug Agreement With UN
OW2205044695 Beijing XINHUA in English
0335 GMT 22 May 95

[FBIS Transcribed Text] Beijing, May 22 (XINHUA/OANA) — The Chinese Government and the United Nations International Drug Control Program (UNDCP) signed a 2.9-million-U.S.-dollar project here today to improve the capability of law enforcement authorities in southwest China's Yunnan Province to control trafficking in narcotic drugs and chemicals used to make drugs.

The project agreement was signed by Bai Jingfu, vice-commissioner of China's National Commission of Narcotics Control, and Giorgio Giacomelli, executive director of the UNDCP.

China is committed to reducing the abuse and trafficking of heroin, opium and other drugs in the country, the UN sources noted, saying that the project signed today will supplement law enforcement resources committed by the government of Yunnan Province, which borders the world's largest drug producer, the "Golden Triangle" in Myanmar [Burma].

International drug cartels have used the province as a major conduit for smuggling drugs to the international narcotics market.

The three-year project will fund specialized narcotic enforcement training and equipment for law enforcement officers in the province.

The UNDCP is working with the countries of the Asian region most affected by the "Golden Triangle" to enhance their national drug control capacity, including increased coordination and co-operation between national enforcement agencies aimed at the prosecution of those responsible for organizing trafficking in illicit drug and chemicals.

This is one of a number of projects which provide support to China and other countries in this region in the areas of drug demand reduction, law enforcement and alternative development for drug producing communities, as part of a so-called "balanced approach" to drug control, the UN officer said.

He disclosed that ministers representing six governments — those of Cambodia, China, Laos, Myanmar, Thailand and Vietnam — and the executive director of

the UNDCP will meet in Beijing on May 27 to confer on a three-year action plan for drug control in the region.

The action plan will include measures to reduce drug demand, help promote alternative development options and strengthen law enforcement, he said.

'Roundup' Views UN-Sponsored NPT Conference

OW2205042595 Beijing XINHUA Domestic Service
in Chinese 1600 GMT 13 May 95

["Roundup" by XINHUA reporter Xia Zhaolong (1115 0340 7893): "A Meeting That Enhances Confidence in Nuclear Disarmament"]

[FBIS Translated Text] United Nations, 12 May (XINHUA) — The conference to examine and extend the Nuclear Nonproliferation Treaty [NPT] ended today at the United Nations Headquarters. The conference decided to indefinitely extend this important arms control treaty, which has been in effect for 25 years, in addition to passing some other relevant documents, thereby confirming once again the final objective of annihilating nuclear weapons from the earth.

Ambassador Dhanapala of Sri Lanka, president of the conference, said: This is an historic conference, and its significance lies in the determination of various countries to "send the monster — nuclear weapons — back into its magic box," in order to save mankind from the catastrophe of a nuclear war.

The NPT was drawn up in the late 1960's. Its main purpose was to prevent the proliferation of nuclear weapons and promote nuclear disarmament and the peaceful use of nuclear energy. Limited by historical conditions, the treaty has its own shortcomings because it stipulates different rights and obligations for countries that possess nuclear weapons and those that do not possess them. Moreover, some nuclear states have adopted a double standard in implementing the treaty. The main task of this conference was to examine its implementation, and, in accordance with the provisions worked out in the early days after the treaty was concluded, to decide whether to extend its terms.

At the month-long conference, representatives of various countries made speeches, pointing out: Over the past 25 years the treaty has effectively prevented the proliferation of nuclear weapons, becoming an irreplaceable multilateral arms control treaty. Its term should be extended for world peace and stability. However, two groups of opinion emerged on the method of extending the treaty. One group, worrying that nuclear proliferation may endanger regional and world security, advocated unconditionally and indefinitely extending the

treaty; the other group, concerned about the permanent nature of nuclear countries' arsenals, the lack of guarantees for the security of non-nuclear states, and other issues, endorsed conditional and stage-by-stage extension of the treaty. After repeated consultations, proceeding from the overall interest of global security and seeking common ground while reserving differences, both sides finally agreed to indefinitely extend the treaty after reaching unanimity through consultation, but some necessary conditions were attached.

These conditions are reflected mainly in the two documents adopted at the conference. The first document is on determining the principle and objective of nuclear nonproliferation and disarmament, which demands that nuclear states conduct negotiations on systematic and gradual disarmament, and on concluding a treaty on the all-around prohibition of nuclear tests no later than 1996; on giving preferential treatment to non-nuclear signatory countries, especially developing countries, in the sphere of transferring technology on the peaceful use of nuclear energy to them; and on providing them with a security guarantee "with international legal binding force."

The second document is on the decision to strengthen the treaty's examination mechanism. The decision demands the establishment of a specialized organ to study concrete issues, such as realizing the universality of the treaty and so on. It also demands increasing the number of examination meetings by calling for convening some annual and preparatory meetings, in addition to a conference every five years, to discuss the agenda and make proposals.

During the conference, Qian Qichen, head of the Chinese delegation and premier of the State Council and foreign minister, comprehensively expounded the Chinese Government's position on nuclear issues and its advocacy on smoothly extending the treaty. His expositions were welcomed by the countries attending the conference. In their speeches, some representatives spoke highly of China's undertaking the commitment not to be the first to use nuclear weapons and its policy of unreservedly providing non-nuclear states with security guarantees.

In summing up the results of this conference, President Dhanapala said: The conference has formulated principles, objectives, and inspection standards for the prevention of nuclear proliferation, promotion of nuclear disarmament, peaceful use of nuclear energy, and other areas in the future. As a whole, it has "enhanced the treaty's effectiveness and authoritativeness."

ROK Welcomes Candidacy for UNSC Membership

OW2005101495 Beijing XINHUA in English
0952 GMT 20 May 95

[FBIS Transcribed Text] Seoul, May 20 (XINHUA) — South Korea Saturday [20 May] expressed its welcome of the 49 Asian countries' decision to support it as the sole candidate for the non-permanent member seat of the United Nations Security Council (UNSC).

"We expect South Korea will be elected as a member of the UNSC in 1996-1997 with the full support of members of the UN in a vote to be conducted at the 50th UN General Assembly this year," Foreign Ministry Spokesman Nyu Kwang-sok said here.

On Friday, the Asian group meeting at the UN decided to support South Korea as the sole candidate for the UNSC seat, with Sri Lanka officially dropping out of the race for the post.

Sri Lanka's withdrawal from the race will virtually pave the way for South Korea to get the UNSC non-permanent member seat since there are no other prospective candidates competing against Seoul.

In a series of behind-the-scene negotiations, South Korea and Sri Lanka recently agreed to nominate one country for the post. But, at a meeting among a group of Asian countries held at the UN headquarters, Sri Lanka's ambassador to the UN issued a statement withdrawing his country's candidacy and supporting South Korea as the sole candidate for the UNSC membership.

During the meeting of 49 Asian countries, 25 countries made statements supporting South Korea's candidacy, while almost all other countries, except the Democratic People's Republic of Korea (DPRK), also showed the attitude that they too supported South Korea.

Delegation Leaves for Russia, Israel, Poland

OW2205101695 Beijing XINHUA in English
0933 GMT 22 May 95

[FBIS Transcribed Text] Beijing, May 22 (XINHUA)—A delegation of the Foreign Affairs Committee of China's National People's Congress (NPC) headed by the chairman of the committee, Zhu Liang, left here today for friendly visits to Russia, Israel and Poland.

The delegation went on the visit at the invitation of the International Affairs Committee of the State Duma of Russia, the Defense and Foreign Affairs Committee of the Knesset of Israel and the Commission for Foreign Affairs of the parliament of Poland.

Ban on Dissidents at Women's Forum To Stand

HK2205073895 Hong Kong HONGKONG
STANDARD in English 22 May 95 p 6

[By Amy Liu]

[FBIS Transcribed Text] China will not change its hardline stance on banning dissidents from taking part in the non-governmental organisations (NGO) forum at September's United Nations World Conference on Women despite strong protests from other countries.

The decision was made on Thursday at a two-day meeting of officials responsible for the conference.

The meeting also called for about 1,000 participants and officials to co-operate with government departments in maintaining political stability in Beijing during the conference period.

The meeting was chaired by the heads of the All-China Women's Federation.

China will host about 30,000 people from dozens of countries at the conference, giving Beijing a number of headaches such as customs procedures and how to guarantee freedom of speech for the NGO participants.

Officials yesterday pledged to maintain social order by cracking down on dissent and "troublemakers" amid a string of corruption scandals that has undermined government credibility.

Officials said overseas dissidents would not be allowed to enter Beijing for the world conference because they might make trouble.

"Those separatists in support of Taiwan or Tibet independence as well as dissidents opting to overthrow the government would be forbidden from entering Beijing," Chinese sources quoted officials as saying.

An official from the Taiwan Affairs Office of the State Council said all independent activists and organisations from Taiwan, which Beijing considers a renegade province, would be banned while legitimate groups would be allowed to join the conference.

About 500 NGOs, mostly from Taiwan, India and the United States, had been banned from the meeting, reports said.

Sources said Beijing insisted on holding the NGO forum in Huairou county, even if a 19-member committee from representatives of NGOs worldwide rejected the move. According to sources China has recently spent 10 million yuan (HK\$9 million) for the conference site in Huairou, 50 kilometres from Beijing.

The venue is expected to be ready by June, two months ahead of the world meeting.

The Huairou site has been criticised for its remoteness and its lack of hotels, recreation halls and other facilities for the conference. The UN has suggested using the Workers' Stadium in downtown Beijing instead.

Meanwhile, a State Family Planning Commission official told the 1,000 participants at last week's meeting that Western media had been spreading negative rumours about Chinese women.

Sources said he denied reports that Chinese women were using aborted fetuses to beautify their skins.

"Those reports are totally groundless," sources quoted the official as saying.

He said the Chinese government had been successfully implementing its one-child policy and that Chinese women were not abusing abortions.

United States & Canada

Zou Jiahua Receives U.S. Economic Delegation

OW1805114695 Beijing XINHUA in English
1118 GMT 18 May 95

[FBIS Transcribed Text] Beijing, May 18 (XINHUA) — Chinese Vice-Premier Zou Jiahua met here this afternoon with Wendy Gramm, wife of the U.S. Republican Senator Phil Gramm, and her party, and they exchanged views on issues of common interest.

Zou said that China needs a stable domestic situation and a peaceful international environment for the development of its national economy.

China wishes to establish and develop peaceful, friendly and co-operative relations with all countries in the world, said Zou.

Wendy said that China's economic development is remarkable. So, many U.S. Companies are optimistic about China's future and they wish to come to invest in China.

Thus, it is important for the two countries to strengthen mutual understanding.

Wendy Gramm is leading a U.S. economic delegation on a visit here at the invitation of China's State Planning Commission.

Vice Premier Li Lanqing Meets U.S. Editors

OW1805124295 Beijing XINHUA in English
1140 GMT 18 May 95

[FBIS Transcribed Text] Beijing, May 18 (XINHUA) — Chinese Vice-Premier Li Lanqing met with a delegation

from the American Society of News Editors (ASNE) at the Great Hall of the People here today.

Li and the U.S. visitors exchanged views on issues of common interest.

Founded in 1922, ASNE boasts over 900 editors from nearly all major U.S. publications, according to sources here.

The group, led by the society's president William Ketter, arrived here today for a visit at the invitation of the Chinese People's Association for Friendship with Foreign Countries.

PLA Commander Meets U.S. Military Leaders

OW2105133795 Beijing XINHUA Domestic Service
in Chinese 0752 GMT 19 May 95

[FBIS Translated Text] Washington, May 19 (XINHUA)— Lieutenant General Yu Zhenwu, commander of the Air Force of the Chinese People's Liberation Army [PLA] separately met with U.S. Undersecretary of Defense Slocombe; General John Shalikashvili, chairman of the Joint Chiefs of Staff; Secretary of the Air Force Widnall; and Air Force Chief of Staff Fogleman on 18 and 19 May. The two sides exchanged views on further development of relations between the air forces of the two countries.

Yu Zhenwu and his party arrived in Washington on 17 May on a 10-day goodwill visit at the invitation of U.S. Air Force Chief of Staff Fogleman. They will leave Washington on 20 May to visit U.S. Air Force units, schools and relevant installations in other parts of the United States.

Jiang Zemin Meets U.S. Architect I.M. Pei

OW1905125195 Beijing XINHUA in English
1134 GMT 19 May 95

[FBIS Transcribed Text] Beijing, May 19 (XINHUA) — Chinese President Jiang Zemin met today with visiting Chinese-American Pei Ieoh Ming, a renowned architect, and his wife.

Jiang, who is making an inspection tour outside Beijing, extended his welcome to Pei and briefed him on China's modernization construction.

Since late 1978, Jiang said, China's reform, opening up and modernization drive have scored great achievements under the guidance of Deng Xiaoping's theory of building socialism with Chinese characteristics.

He added that China has witnessed economic development, social stability, continuous improvement in people's living standards, and great changes in cities and rural areas.

Pei expressed his thanks for Jiang's meeting with him.

Pei came to China on May 16 at the invitation of the Bank of China.

Councillor Li Guixian Leaves for U.S., Canada

OW2005090995 Beijing XINHUA in English
0901 GMT 20 May 95

[FBIS Transcribed Text] Beijing, May 20 (XINHUA) — Chinese State Councillor Li Guixian, at the head of a delegation, left here today for the United States and Canada, at the invitation of James King, director of the Office of Personnel Management of the United States, and Marcel Masse, president of the Queen's Privy Council for Canada.

Chinese Minister of Personnel Song Defu is a member of the delegation.

Olympic Committee Makes Taiwan Flag Blunder

OW2105133195 Tokyo KYODO in English
1254 GMT 21 May 95

[FBIS Transcribed Text] Atlanta, May 21 KYODO — The Atlanta Committee for the Olympic Games (ACOG) apologized to the Chinese Olympic Committee on Saturday [20 May] for mistakenly using the prohibited Taiwanese red flag in its publication.

In the international sports community, Chinese Taipei Olympic Committee's flag is used to indicate Taiwan since the international Olympic Committee (IOC) has prohibited the Taiwanese flag — red with a white sun on blue sky — to avoid stirring up the China-Taiwan issue.

A spokesman for the ACOG admitted the mistake and promised to make corrections as soon as possible.

The ACOG put the Taiwanese red flag on a booklet entitled "Olympic Day in the Schools." The booklets were published to introduce participating nations in the 1996 Olympics to elementary and junior high school students in the state of Georgia.

Zhang Quansheng, secretary general of the Chinese Olympic Committee, expressed his regret, saying, "organizers should never have used the flag. We will file a protest against the ACOG after returning home."

China, which views Taiwan as a renegade province, is said to be on poor terms with the United States because the U.S. insisted on not allowing China to participate in this summer's pan-Pacific swimming championships due to China's drug scandal at the Hiroshima Asian Games.

Central Eurasia

'Roundup' on Tajik Government, Opposition Talks

OW2105092795 Beijing XINHUA in English
0902 GMT 21 May 95

["Roundup" by Pan Yi: "Little Progress Achieved in Inter-Tajik Talk in Kabul"]

[FBIS Transcribed Text] Islamabad, May 21 (XINHUA) — The Tajik government and the opposition ended their three-day talk in Kabul Friday [19 May] without significant success.

It was strange that a three-month extension of current ceasefire agreed by the Tajik rivals was disclosed Saturday, one day after the conclusion of the talk.

However, the ceasefire, which was first agreed in Tehran and extended once in Islamabad last year, was broken many times so that analysts were not optimistic of the realization of this extension of ceasefire.

Except the extension of ceasefire, there were two symbolic achievements to the talk.

Firstly, it was the first time that the top leaders of the Tajik rivals, Tajik President Emomali Rakhmanov and the leader of Islamic opposition Abdullah Nuri, talked to each other about ending the bloody civil war.

Secondly, Rakhmanov described Nuri as "a great Tajik-istan figure" while addressing a press conference and Nuri said, "the main achievement is the better understanding between the two camps."

In fact, the biggest winner of talk was its organizer Afghan President Borhanoddin Rabbani.

The talk itself showed that Kabul, which has suffered from countless fierce battles, now is safe enough to be the venue of diplomatic activities.

Afghan government forces took full control of Kabul after driving Taliban and Hezb-i-Wahdat out of the city in March, and this situation was strengthened when Rabbani's men scored a string of military victories over Taliban in April and May.

Presently, Pakistan and India have reopened their embassies in Kabul and a Russian delegation is now in Kabul for the same thing.

Meanwhile, the Tajik government gets support from Russia which has deployed about 20,000 troops along Tajik-Afghan border at the invitation of Rakhmanov.

In recent weeks, Russian jets heavily bombed Tajik opposition's bases in Afghanistan, causing huge casualties.

The Tajik situation is obviously very complicated and the three-year civil war has already left 50,000 people dead.

During the Kabul talk, the Tajik opposition put forward three demands to Rakhmanov, including the establishing of an interim government made up of neutral personalities, the setting up of a special international force to separate the rival camps, and the withdrawal of Russian troops from Tajikistan.

But Rakhmanov, who won an election and made some military gains recently, did not make any concession.

An UN-sponsored inter-Tajik talk will start in Kazakhstan's capital Almaty tomorrow, but analysts are not optimistic of the new talks.

The UN has already organized three rounds of inter-Tajik talks in Moscow, Tehran, and Islamabad but no breakthrough has been made.

Northeast Asia

Archives on Japanese Germ Warfare To Be Opened

OW1905141595 Beijing XINHUA in English
1354 GMT 19 May 95

[FBIS Transcribed Text] Beijing, May 19 (XINHUA) — China will open its archives on Japan's germ warfare research in northeastern China during the second world war, an official with the Liaoning provincial archives museum told XINHUA today.

He said that archives will be open to the public for the first time in August this year, to mark the 50th anniversary of China's victory against the Japanese invaders.

The 200-page archives include a letter written by a high-ranking Japanese officer to the local puppet regime at that time, China's investigation materials dating from the early 1950s, and memoirs of survivors and local people, together with more than 30 photographs.

During World War II, on the secret orders of Japanese Emperor Hirohito, the Japanese army in northeastern China organized two biological warfare units code-named 731 and 100, which did experimental surgery on live prisoners of war and tested germs on them.

Afterwards, the victims were cremated. It is estimated that more than 3,000 people died in such brutal experiments. They were Chinese, Korean, Mongolian and Soviet citizens.

To conceal the evidence of its crimes, the Japanese army demolished all the research buildings before its surrender in August 1945.

Shandong Secretary Meets ROK Daewoo Delegation

SK2005043495 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 19 May 95

[FBIS Translated Text] Zhao Zhihao, secretary of the provincial party committee, cordially received in the meeting room on the second floor of the provincial party committee's building (Chong Yong-kil), general representative of the Daewoo Group of the ROK in China, and his entourage on 19 May.

During the reception, Zhao Zhihao stated: Shandong Province and the Daewoo Group of the ROK are old friends. The relevant departments of the central government have approved and given support to cooperative projects launched by both sides. He urged both sides to steadily develop exchanges and cooperation on a long-term basis and by keeping the large international markets in their minds and to promote the development of relations between Shandong and the Daewoo Group to a new stage.

During the reception, Mr. Chong Yong-kil voiced his opinions on the matters relating to cooperation between the Daewoo Group and Shandong and also expressed his strong desire to further develop cooperative relations between the two sides.

Southeast Asia & Pacific

Burmese Official Calls For Sports Exchanges

OW1905165795 Beijing XINHUA in English
1536 GMT 19 May 95

[FBIS Transcribed Text] Yangon [Rangoon], May 19 (XINHUA) — Myanmar [Burma] Minister for office of the Prime Minister Brigadier General Lun Maung said here today that sports exchanges between Myanmar and China should be strengthened.

Lun Maung, who is also in charge of Myanmar sports, said this when Chinese Ambassador to Myanmar Chen Baoliu presented a batch of sports equipment to Myanmar on behalf of the Chinese Physical Culture and Sports Commission.

There sports equipment included 90 footballs, basketballs, volleyballs and 50 sets of sports dresses.

Lun Maung also said he will visit China next week.

Editorial Warns Philippines on Nansha Dispute

HK2205053095 Hong Kong TA KUNG PAO
in Chinese 17 May 95 p a2

[Editorial: "Do Not Misunderstand China's Restraint"]

[FBIS Translated Text] Yesterday, the spokesman for China's Foreign Ministry talked about the incident

in which Philippine warships sailed to Meiji Reef of China's Nansha Islands [Spratlys], sternly warning that the Philippine side must not misunderstand the Chinese side's restraint and demanding that the Philippine side return to the correct path of settling the relevant dispute through peaceful negotiations. If the Philippine side clings obstinately to its course and makes a reckless move, then it must bear all the consequences.

This time, the Philippine side dispatched two warships and a ship carrying Philippine and foreign reporters to conduct so-called "coverage" at Meiji Reef. This was a serious violation of China's sovereignty. Before that, the Chinese Foreign Ministry and the Chinese Embassy to the Philippines had made many rounds of serious representations to the Philippine side, demanding that the provocative move be stopped. This showed that China was rational and restrained in dealing with the dispute, and was trying hard to restrain itself. However, the Philippine side continued its perverse act, and even organized foreign reporters to conduct "news coverage" at Meiji Reef in order to internationalize the sovereignty dispute over the Nansha Islands by collaborating with foreign media in launching an opinion offensive against China and exerting pressure upon China. Before that, the Philippines discussed this issue with the United States, and even demanded that the U.S.-Philippine military treaty be used to exert pressure on China. This was absolutely ridiculous. On the other hand, last March the Philippine Navy tore down some survey marks left by the Chinese side on some islands and reefs of the Nanshas, blasted boundary posts, and detained four Chinese fishing boats and 62 Chinese fishermen on board when they were carrying out fishing operations in the Nansha sea area. The spokesman for the Chinese Foreign Ministry still called for the Philippines to seek a proper solution to this with a calm and constructive attitude.

The Philippine side just turned a deaf ear to China's restraint. Government and military leaders of the Philippines again and again rudely attacked China by saying that China had "invaded" Philippine territory and sovereignty, and claimed that the Chinese fishermen would be accused of stealing fish and carrying explosives and might be sentenced to 20 years' imprisonment. The Chinese fishermen carried out fishing operations under China's sovereignty, but they were thus brutally treated by the Philippine side.

It is an indisputable fact that China has sovereignty over the Xisha and Nansha Islands. This is recorded in many international documents. A large quantity of cultural relics and literature on the islands also effectively proves this. The so-called "dispute" is just artificial. Because it was widely rumored that there were rich oil and

gas resources beneath the sea, the islands became the target of contention by surrounding countries. In order to maintain a good-neighborly and friendly policy and the stability of Southeast Asia, China proposed that the dispute regarding sovereignty over Nansha be shelved and that all parties concerned cooperate in developing the resources. This was a concession fully demonstrating China's tolerance and patience. Some ASEAN nations and people expressed appreciation of China's stance. As long as all parties concerned maintain a spirit of seeking common ground while reserving differences and jointly safeguarding the international peaceful environment, the problem can certainly be solved.

In late March, a vice foreign minister of the Philippines visited China at the invitation of the Chinese side. While meeting him in Beijing, Qian Qichen said: China and the Philippines are friendly neighbors, and bilateral relations have seen substantial development over the 20 years since they established diplomatic relations. Leaders of the two countries have exchanged visits many times, and this has deepened mutual understanding and friendship. There does not exist any conflict of interest between the two countries. The two sides should increase mutual trust and seek solutions for the problems existing in bilateral relations with a calm and constructive attitude. "Shelving disputes and jointly developing resources" is the best option for solving the problems. The Philippine vice foreign minister also agreed that both sides should have a calm attitude and continue to seek solutions in an atmosphere of mutual trust. At the meeting, the Chinese and Philippine officials reached a four-point consensus on the issue of the Nansha Islands: First, both sides would continue to discuss the possibility of cooperation in Nansha; second, both sides agreed to settle differences through negotiations in a peaceful manner; third, the differences on the Nansha issue should not affect the development of bilateral relations; and fourth, both sides agreed to further the consultations on this issue.

As long as China and the Philippines adhered to these four points, today's situation should not have arisen. However, unilateral concessions and restraint on China's part cannot settle the problem. At present, the Chinese Foreign Ministry has explicitly indicated that if the Philippine side continues to cling obstinately to its course, then it must bear all the consequences.

China has never been ambiguous on sovereignty issues, and its restraint is also limited. China attaches great importance to the friendly relations with the Philippines built up over more than the past 20 years, and hopes that the Philippine side will properly assess the situation and return to the correct path of settling disputes through peaceful negotiations.

Following the end of the Cold War, international anti-China forces continued the confrontation with China. The current situation in the South China Sea has a certain international background. Some countries and politicians are taking advantage of the Nansha issue to create trouble against China. The Philippine side should not think that if it is backed by certain big powers and by certain anti-China forces in Asia, it can reach out for a yard after taking an inch; otherwise, it will certainly be mistaken.

Further on Singapore Prime Minister Visit

Goh Meets Shanghai Mayor

OW1905150395 Beijing XINHUA in English
1407 GMT 19 May 95

[FBIS Transcribed Text] Shanghai, May 19 (XINHUA) — Singapore's Prime Minister Goh Chok Tong arrived here this afternoon from Wuhan, capital of central China's Hubei Province.

Shanghai Mayor Xu Kuangdi, meeting with Goh here this evening, said that the trade and economic relations between his city and Singapore have recorded great progress in recent years.

Singapore now ranks third of all foreign investors in this, China's largest industrial and commercial city, Xu told Goh.

Goh said Singapore is well aware of Shanghai's weight in the Chang Jiang basin.

Singapore has chosen Shanghai's neighbor, Suzhou City, as the site for a Singapore-funded industrial park, which could boost its investment in Shanghai, Goh noted.

Also today, Huang Ju, Member of the Political Bureau of the Central Committee of the Chinese Communist Party (CPC), and Secretary of the CPC Shanghai Municipal Committee, met with the prime minister and his party.

Attends Ribbon-Cutting Ceremony

OW2005155495 Beijing XINHUA in English
1532 GMT 20 May 95

[FBIS Transcribed Text] Shanghai, May 20 (XINHUA) — The Shanghai Huaxing International Container Shipping Company, funded by the Pacific International Lines (PTE) Ltd of Singapore, officially opened for business today in Shanghai, China's largest industrial metropolis.

Singapore Prime Minister Goh Chok Tong, who is visiting Shanghai, attended the new company's ribbon-cutting ceremony.

Singapore Pacific has been engaged in China's ocean shipping business for more than 20 years. It invested 12 million US dollars in this new joint venture, the biggest of its kind in China.

The company has started several other shipping firms in eastern China's cities like Wuxi, Hangzhou and Ningbo. Before that it used to act as an agent for China's ocean shipping business.

Along with China's economic growth and the opening-up drive, container cargo shipping in Shanghai has been increasing by 30 percent on the average each year.

Meets Jiang Zemin

OW2105080895 Beijing XINHUA in English
0751 GMT 21 May 95

[FBIS Transcribed Text] Beijing, May 21 (XINHUA) — Chinese President Jiang Zemin today said that China wishes to push forward international economic and technological cooperation on the basis of equality and mutual benefit.

During his one-hour-odd meeting with visiting Singaporean Prime Minister Goh Chok Tong, Jiang, who is currently on a study tour of provinces outside Beijing, had a friendly and sincere conversation with him on international issues and bilateral relations.

Extending his warm welcome to Goh, Jiang said that he was very pleased to note the progress that the Suzhou Industrial Park has made in its construction, adding that he welcomed the Singaporean entrepreneurs to invest in other parts of China.

He described the political equality and mutually beneficial economy as a basic principle for international contacts.

"China is practising a socialist market economy, which is linked with the international market and the two are mutually supplementary," he added.

Goh briefed Jiang on his visit to China and put forward some suggestions on furthering Singapore's economic cooperation with the country.

During the meeting, Jiang asked Goh to convey his greetings to President Ong Teng Cheong and Senior Minister of Prime Minister's Office Lee Kuan Yew.

Attending the meeting were Vice-Minister of the State Economic and Trade Commission Yang Changji who is accompanying Goh on the visit, and Chinese ambassador to Singapore Yang Wenchang.

Further on Meeting With Jiang

BK2105142595 Singapore Radio Corporation of Singapore in English 1000 GMT 21 May 95

[FBIS Transcribed Text] Both Singapore and China agree that the focus of Singapore's investment in China will continue to be in Suzhou and Shandong. This is even as China welcomes Singapore's interest in the inland provinces.

The agreement emerged at a meeting between Prime Minister Goh Chok Tong and Chinese President Jiang Zemin in Beijing. Both leaders were satisfied with the pace of Singapore-China cooperation.

Goh Leaves Shanghai

OW2105130895 Beijing XINHUA in English 1249 GMT 21 May 95

[FBIS Transcribed Text] Shanghai, May 21 (XINHUA) — Singaporean Prime Minister Goh Chok Tong ended his 11-day working visit to China, and left here for home this afternoon.

Goh came to this city on May 19 from Wuhan, capital of central China's Hubei Province.

During his stay here, the Singaporean prime minister visited the Pudong New Area, and attended opening ceremonies of several Sino-Singaporean joint ventures.

Yang Changji, chairman of the Chinese Government Reception Committee and vice-minister of the State Economic and Trade Commission, and Shanghai Vice-Mayor Sha Lin saw Goh and his party off at the airport.

Li Peng Receives SRV's Nguyen Manh Cam

BK1905154095 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 19 May 95

[FBIS Translated Text] Yesterday afternoon in Zhongnanhai, Chinese Premier Li Peng received and cordially talked with our country's Foreign Minister Nguyen Manh Cam, now on a visit to China. Foreign Minister Nguyen Manh Cam conveyed the regards of Prime Minister Vo Van Kiet and the other Vietnamese party and state leaders to Premier Li Peng. After informing the Chinese premier of the new changes for the better in Sino-Vietnamese relations and the results of his talks with Chinese Deputy Premier and Foreign Minister Qian Qichen, Foreign Minister Nguyen Manh Cam stressed that the Vietnamese party, government, and people have constantly attached great importance to bilateral ties and have always showed goodwill in resolving existing problems and will do all they can to consolidate and develop the friendship, cooperation, and good neighborliness between the two countries.

Premier Li Peng expressed his satisfaction with the new developments in bilateral relations and welcomed the results of the talks between the two foreign ministers. He stressed that the Chinese party, government, and people have attached great importance to the consolidation and further development of the friendship and good neighborliness with Vietnam. He pointed out that problems still exist between the two countries, but those problems have been resolved through negotiations. He hoped that the two sides would accelerate negotiations, make efforts to expand similarities and reduce differences, and implement the directions agreed upon by high-level leaders of the two countries to promote Sino-Vietnamese relations in all fields. Premier Li Peng highly valued the high-level meetings between the two countries and hoped that the comrade Vietnamese leaders would visit China again at a propitious time. He asked Foreign Minister Nguyen Manh Cam to convey his warm regards to Prime Minister Vo Van Kiet and the other Vietnamese party and state leaders.

SRV National Assembly Delegation Holds Talks

BK1905144195 Hanoi VNA in English 0733 GMT 19 May 95

[FBIS Transcribed Text] Hanoi VNA May 19 — A delegation of the External Relations Commission of Vietnam's National Assembly led by its head Mr. Hoang Bich Son is now on an eight-day visit to China from May 15.

While in Beijing, the delegation held talks with a delegation of the Foreign Affairs Committee of China's National People's Congress [NPC] led by its Chairman Mr. Zhou Xiang. They were received by NPC Vice Chairman Mr. Wang Hanbin and Deputy Prime Minister Mr. Li Lanqing on separate occasions. They met with Deputy Foreign Minister Mr. Tang Jiaxuan.

The delegation left Beijing on May 18, continuing its visit to other localities.

XINHUA Delegation, Vietnamese Leaders Meet

OW2005162195 Beijing XINHUA in English 1601 GMT 20 May 95

[FBIS Transcribed Text] Hanoi, May 20 (XINHUA) — Secretary-General of the Communist Party of Vietnam Do Muoi said here today that relations between the communist parties of China and Vietnam, the two countries as well as the two peoples have been good.

Do made the remarks in a meeting with China's XINHUA NEWS AGENCY Director-General Guo Chaoren, who arrived here Thursday [18 May] for a visit.

During the meeting, Do Muoi said he believes such relations will become even better. To further consolidate and promote relations between the two countries is the common aspiration of the two sides, he said.

Do Muoi said he is pleased to see that China, a great country led by the Communist Party of China, has scored marvelous achievements in various fields.

China has achieved rapid progress in developing the economy and raising the living standards of the people, he noted.

Do Muoi briefed Guo on policies and steps taken by the Communist Party of Vietnam and the Vietnamese government to achieve the goals of national independence, socialism, material prosperity and social justice and civilization.

He stressed that Vietnam will seek to construct socialism through developing a market-oriented economy.

Meanwhile, Do Moui expressed satisfaction over the cooperation between the VIETNAM NEWS AGENCY (VNA) and XINHUA. He hoped the two news agencies will continue to cooperate.

On Friday, Vietnamese Vice Prime Minister Nguyen Khanh held talks with Guo.

Near East & South Asia

Lebanese President To Seek New Prime Minister

OW1905232495 Beijing XINHUA in English
1930 GMT 19 May 95

["News Analysis" by Shao Jie]

[FBIS Transcribed Text] Beirut, May 19 (XINHUA) — President Ilyas al-Hirawi is going to conduct official contacts with political leaders Saturday morning [20 May] to determine the fate of Rafiq al-Hariri, who announced earlier today a resignation from the office of prime minister.

Meanwhile, Lebanon's 70,000 teachers of elementary and secondary schools announced this afternoon a suspension of their four-day strike.

The Beirut Presidential Palace said in a statement that the president would hold consultations with members of the parliament and some former heads of the government to "nominate a prime minister to form a new government."

The agenda starts from 10 O'clock Saturday morning and lasts two days, and all the country's leading politicians are summoned to go to the Presidential Palace for every 10 minutes one by one or bloc by bloc, according to the statement.

Well-informed sources believe that President al-Hirawi would ask al-Hariri to head a transitional government before al-Hirawi's six-year term is renewed or extended in November or a new president is elected.

Self-made billionaire Prime Minister al-Hariri, regarded by many Lebanese as the primary hope of their country's post-war reconstruction and rehabilitation, announced his resignation after a meeting with the president this morning.

President al-Hirawi accepted the resignation, but asked the prime minister and his cabinet ministers to continue their official function until a new government is formed.

In his resignation letter, al-Hariri called for a consolidation of unity and democracy in his country and a comprehensive coordination with Syria.

"I have stepped down out of my desire to give a positive impetus to the Lebanese political life and achievements in the economic and development spheres," al-Hariri said.

Calling for a more cohesive cabinet instead of his, al-Hariri said, "I believe that the condition has become mature for a transition into a new and cohesive governmental situation to establish a new stage of cooperation between the institutions and to prevent attempts to derail Lebanese political, economic and national stabilization process."

Apparently indicating their disagreement with the resignation, the Lebanese Teachers Office, a teachers union which organized an indefinite strike demanding a pay rise, announced following a meeting this afternoon that the strike was suspended.

This would return the country's 70,000 teachers and their 800,000 students to schools after four days of stoppage and would probably encourage the General Federation of Labor Trade Unions, which leads Lebanon's 350,000-strong work force, to cancel its strike plan.

Al-Hariri's resignation followed a Syrian effort to iron out differences between al-Hariri and House Speaker Nabih Birri on a constitutional amendment on the presidency.

The present constitution bans a president from renewing or extending his term unless a period of six years has lapsed after the first term expires, and demands a senior governmental official or chief army officer to resign before two years in advance for running presidential elections.

Al-Hariri, who has stricken a tacit alignment with the president on the constitutional amendment issue, asked

the parliament to resolve this issue in May, a proposal vehemently opposed by House Speaker Birri.

Al-Hariri said Wednesday that his government would not allow Birri's attempt to delay the amendment as this would keep Lebanon in a state of uncertainty and undermine the economic recovery process which his government had started.

Birri's persistence was seen to be in line with the views of Syria, which reportedly "is annoyed" by the raging controversy over the past months at a time when Damascus is concentrating on the deadlocked peace talks with Israel. Birri is a staunch ally of Syria, the main power broker in Lebanon with its 35,000-strong forces stationed in this country.

But surprisingly the prime minister announced his compromise Thursday night after a prompt visit to the Syrian capital.

"There will be no amendment in May," al-Hariri said after his return from a three-and-a-half-hour meeting in Damascus with Syrian President Hafiz al-Asad.

This was not the first time for al-Hariri to tender the resignation. He threatened to resign and was on a week-long strike in his Beirut residence last December.

He withdrew his resignation at the last minute following Syria's interference and a reported deal between him and Damascus.

Al-Hariri's 10-year ambitious plan to reconstruct the country's infrastructure and Beirut's bomb-devastated commercial center encountered formidable opposition in the parliament and from his own cabinet ministers.

Al-Hariri has been publicly accused of manipulating construction projects and foreign investment loans to expand his personal fortune. He categorically denied the allegations.

His supporters contend that the opposition stemmed from his efforts to crack down on kickbacks from reconstruction projects and a drive to check rampant corruption in the administration.

Al-Hariri had been credited with stabilizing the nation's currency since he took office in October 1992. The Lebanese pound has appreciated from 2,800 pounds traded for one U.S. Dollar to just over 1,600.

But its purchasing power failed to rise correspondingly, triggering a sharp rise in prices of basic commodities and making Lebanon one of the most expensive countries in the region.

CPC Official Meets Syrian Party Delegation

OW2005134295 Beijing XINHUA in English
1331 GMT 20 May 95

[FBIS Transcribed Text] Beijing, May 20 (XINHUA) — Wei Jianxing, member of the Political Bureau and Secretariat of the Chinese Communist Party (CPC) Central Committee, met with and hosted a dinner for a delegation of the Arab Ba'ath Socialist Party of Syria, and they exchanged views on issues of common concern.

An implementation program for the co-operation protocol between the two parties was signed prior to the dinner.

The nine-member delegation headed by the party's Assistant Secretary-General 'Abdallah Ahmar arrived earlier today at the invitation of the CPC.

This afternoon, Head of the International Liaison Department of the CPC Central Committee Li Shuzheng held talks with Ahmar.

'Roundup' Views New Power Struggle in Nepal

OW2105135195 Beijing XINHUA in English
1333 GMT 21 May 95

["Roundup" by Wu Xiangxin: "New Round of Power Race Starts in Nepal"]

[FBIS Transcribed Text] Kathmandu, May 21 (XINHUA) — Nepal is facing a new round of power struggle for the country's governing status between the ruling Communist Party of Nepal (CPN-UML) and the opposition parties as the budget session of the lower house will start at the end of next month.

Leaders of the Nepali Congress (NC), the main opposition with 83 seats in the 205-seat lower house, said in a statement Saturday [20 May] that the NC would continue its efforts to form a coalition government.

In the statement made at the end of a three-day training workshop of the party, the NC leaders said, "The UML ruling party was unnecessarily talking about mid-term polls when the Constitution still allows the formation of a coalition government."

If the opposition could prove their majority in the house, the present minority government can not recommend a mid-term polls, said Girija Prasad Koirala, senior NC leader and former prime minister who was forced to step down last year.

The NC had failed to form a coalition government after the mid-term polls held in November 15, 1994.

"We are still holding talks with the Rastriya Prajatantra Party (RPP) and the CPN-UML over the formation of a coalition government," said NC President Krishna Prasad Bhattarai. "But there has been no formal dialogue."

However, Koirala had ruled out any alliance with the UML. "Any reconciliatory move aimed at supporting the UML government will bear no fruits at all," he said in a press conference Monday. "But talks with other political parties in this connection had shown positive signs."

At the same time, NC leaders also indicated that their party wanted to form a government of its own by creating understanding of some sort with other parties while Bhattarai said that "there is now a consensus on official party strategy."

Bhattarai also stressed that the NC, unlike the UML, is clear on policies and will continue its socialist policy together with the liberal economic trend.

Earlier, some NC leaders also declared that it is time to have the present government removed, saying, "If we let the UML continue in power, the national economy will crumble down." And Koirala also said, "It will be difficult to overcome all situations if we are defensive."

But some other NC leaders said the party should concentrate more on training party members and strengthening the party organization than on campaigning against the present government.

On the other hand, the ruling CPN-UML, which set up a minority government last November after winning 88 seats in the lower house to become the country's largest party, has also formed several working groups to initiate dialogues with other parties in parliament, mainly the RPP.

The RPP holds the decisive 20 seats in the house since no party could command a single majority. However, reactions from RPP are reportedly different on the possibility of forming a coalition government.

During the talks with the NC on a coalition government, RPP President Surya Bahadur Thapa said that the RPP would like to take the premiership in the future coalition government. But it has not been accepted by the NC side so far.

As the RPP parliamentary leader, Lokendra Bahadur Chand who is supported by 20 RPP MPs, preferred to take a wait-and-see policy and disagreed to oust the present CPN-UML minority government and replace it with a coalition at the moment.

After initial talks, the UML and RPP agreed to continue their dialogue on May 25 as most of their MPs

participating in the talks are attending a regional seminar held in the Maldives.

UML sources said that the UML-RPP dialogue is aimed not only at saving the UML minority government, but also at bypassing another possible mid-term polls and constitutional problems.

The ruling Communist Party had made it clear time and again that the UML would urge the Nepali King to dissolve the parliament and hold another mid-term polls should the opposition withdraw their support to its hung government.

West Europe

Interview With Wu Yi on Sino-European Trade

HK2205030195 Hong Kong WEN WEI PO in Chinese
28 Apr 95 p A2

[Dispatch from Dublin on "Full Text" of interview with Wu Yi, minister of foreign trade and economic cooperation, by staff reporter Tai Pao-er (2071 1405 0334); place and date not given: "Exclusive Interview With Wu Yi on Her Tour of Four European Countries"]

[FBIS Translated Text] Dublin, 27 Apr (WEN WEI PO)—Chinese Foreign Trade Minister Wu Yi is heading a government trade delegation and some 150 entrepreneurs for a tour of five European countries. After completing the tour of Spain, Portugal, and Ireland, Wu Yi held an exclusive interview with this staff reporter. The following is the full text of the questions and answers:

[Tai Pao-er] What is the significance of this tour of Western Europe?

[Wu Yi] I am heading, upon invitation, the Chinese Government trade delegation on a tour of Spain, Portugal, Ireland, and Greece. All these countries have good national relations with China. But there have been comparatively few exchanges of visits with each other by their high-level trade delegations. I hope that through the tour, we will further strengthen economic relations and trade with these countries and jointly explore means of cooperation with the governments and financial and trade circles of the various countries.

Economic and Trade Policy for EU Countries

[Tai] What do you expect to achieve on the tour?

[Wu] The achievements we have made on the tour are mainly reflected in three aspects: First, we and the Spanish Government signed an agreement on financial cooperation between the two governments. Second, entrepreneurs who came on the tour have signed some

trade contracts with the various countries. They have purchased some chemical fertilizer from Spain and have reached cooperation agreements with Spain on two projects. They have purchased some paper and soft wood from Portugal and some wool and whey powder from Ireland, and they will purchase some hide and chemical fertilizer from Greece. Third, we held two large trade and investment fairs in Spain and Portugal respectively. The Chinese and their foreign counterparts have come into contact with each other on more than 400 projects and reached some letters of intent on cooperation.

[Tai] Does the Chinese Government adopt different policies for the different EU countries?

[Wu] Our policy for the EU countries is that we are willing to vigorously develop economic relations and trade with all countries, whether they are big or small, rich or poor, on the basis of equality and mutual benefit. But the development of bilateral economic relations and trade often does not depend on one side. Generally speaking, if two countries have good political relations, this will surely promote the development of their bilateral economic relations and trade. If there are difficulties in their relations, the development of bilateral economic relations and trade will unavoidably be affected.

The Strong Points of West European Countries

[Tai] How would you view the prospects for economic and trade cooperation between China and some major countries, such as Britain and France, which have had difficulties in this area?

[Wu] On the whole, the future of economic and trade cooperation between China and West European countries is bright. As China's economy keeps developing, China's market demand will further grow. Economic recovery in West Europe in the past two years has also pushed up demand in the West European market. Moreover, relations between China and Western Europe are developing in a good direction. The exchange of visits by high-level officials has increased and personnel exchanges have been frequent. All these factors have created a good environment for enterprises on the two sides to strengthen economic and trade cooperation.

There have been setbacks in Sino-French relations. But the difficulties are over. Bilateral economic relations and trade have fully been restored and are developing. We hope to continue to keep this good trend. Sino-British economic relations and trade also are expanding continuously. Of the European countries, Britain ranks second in the scale of its investment in China. I have recently invited British Trade and Industry Secretary Michael

Heseltine to visit China with a view to further developing bilateral economic relations and trade. We hope that the British Government will make efforts to strengthen British-Sino cooperation and create more favorable conditions for the development of their economic relations and trade.

[Tai] China's largest export market is North America and the United States is China's most important partner in foreign trade. By comparison, what conditions do West European countries possess with which to compete with the United States for China's market?

[Wu] West European countries possess all the conditions to compete with the United States for China's market. West European countries have the following strong points: First, West European countries have their own characteristics and advantages in the areas of technology and equipment. In some areas, they even surpass the United States. They are fully in a position to compete with the United States. Second, China has good financial cooperation with most West European countries. West European countries' loans to China have effectively brought West European products and corporations into China's market.

Third, China has long had trade exchanges with West European countries and the two sides have traditional trade ties. West European corporations are capable of marketing their products in China. Fourth, China's market is open in all directions and it is open for all countries. In the past, West European countries concentrated their attention mainly on the European Community internal market. West European corporations were not as active in opening up the markets of Asia and China as U.S. corporations were. But we are pleased to see that in recent years, West European corporations have shifted their attention to Asia and China. They are beginning to take seriously the real and huge potential market of China and are taking positive steps. I believe that as long as far-sighted West European entrepreneurs take China's market seriously and take real action, given their capabilities, they are totally capable of competing with the United States and getting their due share in China's market.

Difficulties and Obstacles Between China and West Europe

[Tai] There have been numerous setbacks in Sino-U.S. trade. Will West European countries, as a major force in the Western camp and who always follow the United States' will, have the same problems as the United States has had with China when developing economic relations and trade with China? What are the foreseeable difficulties and obstacles?

[Wu] West European countries have extensive ties with the United States in all areas, and therefore they take the same position as the United States does on some issues. But everyone can see that on many other issues, West European countries have their own positions and views. And this is so in their relations with China.

In developing economic relations and trade, all countries have some differences of opinion and frictions. This is normal and is unavoidable. But what matters is that solutions can be found through compromising on an equal footing.

Frankly speaking, there are currently two difficulties in Sino-West European economic relations and trade. First, the question of the EU setting restrictions on China's exports. The EU's setting of restrictions on Chinese products, as one can say, is discriminatory. It will affect China's exports to the EU and will also involve China's imports from the EU, because it is only possible for us to increase imports through earning foreign exchange from exports. We resolutely cannot accept the unilateral setting of restrictions. Second, on the question of two Chinas, there have been setbacks between China and Western Europe. On this question, the Chinese Government takes a clear-cut stand. We are resolutely against any act by any country that is unfavorable to China's reunification. In the face of difficulties, I believe that difficulties and frictions can be resolved as long as the two sides respect the agreements they have reached and come to a consensus in keeping with the principle of equality and mutual benefit and mutual respect. This will be conducive to the further development of economic relations and trade between China and Western Europe and is also in keeping with the common interests of China and Western Europe and with the aspirations and demands of their people.

[Tai] Finally, could you sum up how you feel and what results have been achieved as your tour of Spain, Portugal, and Ireland is coming to an end?

[Wu] On the trip, we have achieved the expected goals. My feeling is that first, I realize that increasing high-level economic and trade contact is very important. It can enhance mutual understanding and makes it possible to discuss questions face to face and thus tap the huge potential in bilateral economic relations and trade, and second, the leaders and business circles of these countries are very friendly to the Chinese people. I have been very well received. I also have a strong feeling that the two sides have strong aspirations to develop bilateral economic relations and trade. I hope that with the efforts made by the two sides, these aspirations will change into reality.

Symposium To Boost Sino-European Trade

OW2005051495 Beijing XINHUA in English
0451 GMT 20 May 95

[FBIS Transcribed Text] Rome, May 19 (XINHUA) — The Italy-China Chamber of Commerce will hold a symposium to promote economic and trade cooperation between Europe and China on May 26 and 27 on the island of Albarella in the Adriatic Sea.

The symposium, titled "China and Europe on the Threshold of 2000," will gather representatives of major Italian companies, European business and financial leaders and a large economic and trade delegation from China.

Participants are expected to discuss ways of cooperation and specific projects between European and Chinese companies and enterprises.

Director-General of the World Trade Organization Renato Ruggiero will address the symposium on "China in the Framework of Asian Development."

Vice President of the European Union Commission Leon Brittan will brief participants on "EU Strategies Toward the People's Republic of China."

Zeng Peiyan, Chinese deputy minister in charge of the State Planning Commission, will speak on "Chinese Economic Development and Europe."

Other speakers include Vittorino Colombo, president of the Italy-China Economic and Cultural Exchange Association, and Steno Marcegaglia, president of the Italy-China Chamber of Commerce.

Five-Year Training Program Established

HK2205010895 Beijing CHINA DAILY in English
20 May 95 p 3

[Briefs: "Training in UK"]

[FBIS Transcribed Text] The visiting British Board of Trade president Michael Heseltine has agreed with China's State Economic and Trade Commission on a five-year co-operation programme, which provides for the training of more than 2,000 Chinese in British companies. The programme, based on Rolls-Royce's established training programme with China, aims to improve the performance of China's State-run enterprises and strengthen the presence of British companies in China.

Political & Social

Authorities Round Up Dissidents in Beijing

Three Reportedly Detained

HK2005054295 Hong Kong AFP in English
0515 GMT 20 May 95

[By Giles Hewitt]

[FBIS Transcribed Text] Beijing, May 20 (AFP)—The Chinese authorities have launched a pre-emptive strike against dissidents ahead of the June anniversary of the 1989 Tiananmen Square massacre, rounding up several activists in Beijing, sources said Saturday.

Three dissidents, Wang Xizhe, Huang Xiang and Liu Xiaobo, have all been picked up in the past three days, the sources said, confirming a report by the U.S.-based Human Rights in China (HRC) group.

The arrests follow the sending of a petition Monday by 45 intellectuals to the Chinese government which called for an end to the persecution of 1989 pro-democracy activists.

"I don't think this action is necessarily linked to the petition, as Huang was the only one of the three to have signed it," said professor Xu Liangying, who had organized the petition.

"It's more a warning before June 4, and shows how concerned the authorities are," Xu said, adding that he was unaware of any other signatories being arrested.

People's Liberation Army tanks rolled onto Beijing's Tiananmen Square in the early hours of June 4, 1989 as soldiers fired on pro-democracy demonstrators, killing between several hundred and a thousand people, according to unofficial counts.

However, Chu Hailan — the wife of prominent activist Liu Nianchun who signed Monday's petition — said police had come to their home Friday afternoon and tried to persuade the family to leave Beijing for the June 4 anniversary.

"They offered to pay for us to take a tour of Hainan island, returning at the end of June," Chu said, adding that her husband had turned down the police request.

Liu was jailed for three years after the 1979 Democracy Wall movement. He also took part in the 1989 demonstrations and signed a 1993 Peace Charter issued by several activists.

The whereabouts of the three arrested dissidents were unknown Saturday.

"We simply don't know what has happened to them," said Wang Dan, the 1989 student leader who also signed Monday's petition.

Wang Xizhe was picked up Tuesday after having lunch with Liu Nianchun and Xu Wenli — another prominent activist.

Wang, a former Guangzhou factory worker and a leading light in the 1979 Democracy Wall movement, is in Beijing to protest the extension of his prison parole. The police had threatened to arrest him if he travelled to the capital against their orders.

Liu Xiaobo, who had been preparing another open letter to send to the government, was taken away from his girlfriend's house by police the next day.

A controversial literary critic and author, Liu was convicted of "counter-revolutionary propaganda and incitement" following the crushing of the 1989 pro-democracy movement.

Liu was exempted from punishment — apparently as a result of intense U.S. pressure.

Huang Xiang, one of the 45 petition signatories, was reportedly picked up Thursday in northwestern Beijing. Huang, a poet, has been in prison about five times.

According to one dissident source, Huang's wife, Zhang Ling, had also been taken into police custody.

The Chinese government has held off from condemning Monday's petition because, analysts suggest, the authorities are wary of attacking the legitimacy of a document carrying such distinguished signatories.

Wang Ganchang, the 88-year-old inventor of China's atomic bomb, was one of those who signed.

Foreign Ministry spokesman Shen Guofang said Thursday that Chinese citizens had the right to present petitions to the government, but stressed that this "should be done through the normal channels."

Wang Dan in Custody

OW2105131795 Tokyo KYODO in English
1248 GMT 21 May 95

[FBIS Transcribed Text] Beijing, May 21 KYODO — Chinese police took Wang Dan, a student leader of the 1989 pro-democracy protest, into custody on Sunday afternoon [21 May], his family said. Policemen told Wang's family that they want to question the 26-year-old.

Wang is one of those who recently signed petitions calling for an assessment of the 1989 Tiananmen Square crackdown.

Chinese authorities are guarding against potential unrest ahead of the sixth anniversary of the June 4 episode.

Wang Dan in 'Dispute'

HK2205004295 Hong Kong EASTERN EXPRESS
in English 22 May 95 p 1

[By Bruce Gilley and agencies]

[FBIS Transcribed Text] Chinese police yesterday detained the leading dissident Wang Dan and labour activist Liu Nianchun as a security net tightened across the country ahead of the anniversary of the Tiananmen Square massacre. It brought to seven the number of dissidents detained in the past week, as Beijing attempts to keep a tight lid on potential social unrest before the sensitive date.

Wang was taken from his home "for questioning" shortly after 5pm by three police officers, a family member said. The leader of the 1989 protests, who has been detained several times since being released from prison in 1993, put up no resistance, she added.

A police officer contacted last night at the Xinjiekou police station near Wang's home confirmed that he was being held at the station. The officer said Wang was involved in a "dispute", but would not elaborate. "We have nothing to say about Wang Dan's situation. We only provide information on criminal cases," he explained.

A flurry of petitions calling for more democracy and the protection of basic rights has inundated the Chinese government in the past three months, many carrying the signatures of a broad range of intellectuals and dissidents. Wang, 25, was one of 45 people who signed an appeal to the Chinese government last week calling for the release of all those imprisoned for their role in the Tiananmen Square protests.

Liu, who also signed the petition, was taken from his home in Beijing late yesterday afternoon, according to his wife, Chu Hailan. "When I went to the police station to ask about him, I was told to go home and wait," Chu said. Her husband had earlier rejected an offer by police to travel with his wife, child and police to the resort island of Hainan, in south China, at government expense and return to Beijing at the end of June, she said.

Another signatory to the petition, Huang Xiang, a prominent poet and scholar, was picked up by police along with his wife, Zhang Ling, last Thursday [18 May] at their Beijing home. "The government is scared to death," Xu Liangying, 75, one of China's most respected natural scientists and author of the petition, said yesterday. "But what are they scared of?" he asked.

"We have no plans to stage demonstrations, we have never said we want to stage a demonstration. All we are asking for is tolerance."

Xu said his mail was being confiscated and police, backed by three vehicles, began round-the-clock surveillance outside his home in Beijing's university district four days ago. "They are afraid of some kind of movement around June 4," he said. "But there is really no possibility of such a thing."

Authorities, none the less, appeared determined to send out a signal that the annual round-up of dissidents before the Tiananmen anniversary would not cease. Another dissident who disappeared this week was Wang Xizhe, a founder of China's tiny dissident community who was detained by police in Beijing late on May 16, sources said.

Liu Xiaobo, sentenced for counter-revolutionary crimes, or subversion, after the May and June 1989 demonstrations, was picked up for questioning by police last Wednesday. In the Sichuan capital, Chongqing, an activist identified as Deng Huanwu was reportedly taken from his home on Thursday night, although no further details were available.

Many other prominent activists, including Xian professor Lin Mu, have left their homes to escape detention, sources said. Others say surveillance of their homes has increased and their freedom has been restricted. "The number of police guarding our house seems to be doubling every day," Wang Zhihong, the wife of prominent activist Chen Ziming, said from Beijing last night. "Every time I go out now they walk by my side. Some officers even insult me with rude remarks, calling me a whore. It's unbearable."

Under Chinese law, police questioning should not exceed 24 hours, but those detained so far are expected to be held until after the June 4 anniversary.

Six Detained; New Petition Planned

HK2205041595 Hong Kong AFP in English
0345 GMT 22 May 95

[FBIS Transcribed Text] Beijing, May 22 (AFP)—At least six Chinese dissidents have been detained in the runup to the sixth anniversary of the Tiananmen Square crackdown and others are under strict surveillance, dissident sources said Monday. The latest three to be detained — Wang Dan, Liu Nianchun and Yang Kuanxing — were picked up by police on Sunday. Wang Xizhe, Liu Xiaobo and Huang Xiang were detained last week, just after the release of a petition signed by 45 leading intellectuals and dissidents calling

for the release of Tiananmen Square activists and greater political freedom.

Wang Dan, a symbol of the 1989 protests in Beijing, and leading dissidents Liu Nianchun and Huang Xiang, all signed the petition sent to President Jiang Zemin. Wang and Liu were preparing a new letter to the Chinese parliament that already had 50 signatures, sources said. Liu Nianchun, a worker at Shandong University in 1989, was detained after refusing an offer to go to the southern island of Hainan until the end of June, so he would not be in Beijing for June 4.

Pressure is also being stepped up on other opponents. Liu Yong, younger brother of Liu Gang, who is serving a six year prison term for his role in the Tiananmen Square events, disappeared in Beijing last week. Liu Yong had been planning to visit a university rights activist.

Police raided and searched the homes of Wang Dan and Liu Nianchun on Sunday, their families said. Several documents and other material was confiscated, they added. "About 20 police were in our home for about three hours. They went through the entire apartment, filmed us and took away a lot of things belonging to my son, including his computer," said Wang's mother.

Wang and Liu Xiaobo were, with many other dissidents, preparing a new letter to the Chinese parliament, the National People's Congress, demanding a law to protect human rights. Xu Liangying, a Beijing professor who drew up last week's petition, said there were already more than 50 signatories for the new letter. The professor added that police had increased security around the homes of many Chinese intellectuals in the capital in recent days. A friend who visited him on Sunday was later questioned for four hours, he said.

The government has stepped up pressure on opponents and dissidents in the runup to each anniversary of the Tiananmen anniversary since 1990.

Editorial Condemns Roundup

*HK2205074395 Hong Kong EASTERN EXPRESS
in English 22 May 95 p 14*

[Editorial: "Childish Rigmarole Must Stop"]

[FBIS Transcribed Text] The odd thing about this year's round-up of dissidents in China before the Tiananmen anniversary, which got under way with ferocity at the weekend, is that most of "the usual suspects" are already behind bars.

Or at least behind a wheelbarrow in some hellish labour camp.

The past year has seen dozens of leading dissidents around the country disappear from view.

Many, such as the Democracy Wall leader Wei Jing-sheng and the Beijing University professor Yuan Hong-bing, casualties of last year's round-up, have never been seen since.

"Disappeared though a loophole of the Chinese legal system," was the polite explanation which the Foreign Minister, Qian Qichen, tacitly agreed with earlier this year.

Others, such as the Shanghai rights group organiser Yang Zhou and the Beijing labour activist Zhou Guo-qiang, have been given labour camp terms on specious charges. They have then been shipped to remote camps to serve their terms in flagrant violation of the regulations.

Still others, including a Christian labour activist, Xiao Biguang, have been placed in known detention centres but never sentenced.

Many of the leading voices who might have spoken up at this time, such as the journalist Gao Yu and the war reparations agitator Bao Ge, have also been jailed in the past year.

Most others have been subjected to varying degrees of police surveillance.

It was for this reason that many expected an eerie silence to prevail during this year's pre-Tiananmen period.

Instead, the mainland authorities have found new targets to pick on. A petition submitted to the government earlier this month provided a perfect starting point.

Many of the petition's 45 signatories will be scattering to the winds this week as knocks on their doors become more frequent. Three have disappeared already.

The world community must chastise Beijing for this obsessive annual campaign. Not only does it violate fundamental human rights guaranteed by the United Nations and China's own laws, but it flies in the face of the West's assertion that laying off the human rights issue and increasing trade will improve conditions.

So far, so bad. No matter what the consequences for trade, Beijing's childish abuse of its citizens cannot be tolerated.

Jiang Said To Boost 'Shanghai Faction' Position

HK2205063195 Hong Kong SOUTH CHINA
MORNING POST in English 22 May 95 p 1

[By Willy Wo-Lap Lam]

[FBIS Transcribed Text] More than 100 major enterprises in Shanghai could soon receive special central-government aid to develop into national conglomerates or multinational companies as President Jiang Zemin moves to boost the political fortunes of the so-called Shanghai Faction.

Chinese sources said yesterday that Mr Jiang's personal office had authorised a series of activities to consolidate the pre-eminent position of the eastern Chinese metropolis, the power base of the President.

They said that while touring Shanghai during the past week, Mr Jiang had given instructions on the "new phase" of its development in the Ninth Five-Year Plan (1996 to 2000).

He discussed with local officials Shanghai's priority access to certain types of state investments and loans, favourable policies to attract foreign capital and help from the state-controlled propaganda machinery.

Last week Mr Jiang, a former Shanghai Communist Party boss, also gave instructions on "making propaganda" about the "Shanghai experience", which would be applied nationwide.

Under the President's aegis, 100 leading writers and cultural personalities will descend on the city tomorrow to take a first-hand look at its economic and political achievements.

This unprecedented event is being organised by the All-China Federation of Literary Circles, China's largest body of authors and artists.

"The 100 writers are expected to sing the praises of Shanghai and its new development zone, Pudong," a Shanghai source said.

"As a gesture of tolerance, Mr Jiang has invited authors from different ends of the political spectrum, including 'bourgeois-liberal' elements once spurned by the ideologues."

Earlier this year, Mr Jiang installed Vice-Minister of Culture Gao Zhanxiang as the de facto head of the literary federation, displacing such remnant Maoists as Meng Weizhai.

The latest public relations exercise is part of a campaign to dramatise the success of the Shanghai region — which incorporates Jiangsu and Zhejiang provinces as well as the Yangtze River estuary — as a pioneer in

both economic reform and the building of "spiritual civilisation".

Sources in Beijing said the unprecedented buildup of Shanghai could be at the expense of Guangdong.

Pro-Shanghai academics recently organised seminars and papers on the superiority of the "Shanghai model" over the "Guangdong model".

For example, the economic achievements of Shanghai, Jiangsu and Zhejiang are said to be anchored upon native industry as well as real growth of productivity and technology. However, individual cities in Guangdong have been criticised for getting rich through speculative activities.

They have also been faulted for being too dependent on Hong Kong and overseas capital — as well as for their "exploitation" of cheap migrant labour.

Meanwhile, Mr Jiang has moved more of his Shanghai proteges to Beijing.

Political scientist Wang Huning was recently made head of the Political Group of the Policy Research Office of the Central Committee. Mr Wang, a specialist in international politics at Fudan University and an advocate of neo-authoritarianism, had advised Mr Jiang when the latter was mayor and party boss of Shanghai in the mid-1980s.

He played a key role in the drafting of the fourth Central Committee plenum document last September, which urged a more aggressive policy in "party building" and ideological indoctrination.

Jiang Preface Termed 'De-Dengification' of Policy

HK2205063395 Hong Kong EASTERN EXPRESS
in English 22 May 95 p 8

[By Bruce Gilley]

[FBIS Transcribed Text] Party General Secretary Jiang Zemin has stepped up his attack on alleged moral degradation caused by patriarch Deng Xiaoping's reforms.

In the preface to a new book on foreign investment, which was given wide publicity at the weekend, Jiang said cadres must learn to "firmly resist and get rid of" harmful cultural influences relating to capitalism.

"We must face the fact that the investment operations of foreign businessmen bring more than just capital, technology and management experience. They also bring the effects of foreign culture," he wrote.

Among "decadent and degenerate" capitalist influences which needed to be expelled were "money worship and seeking only material gain", Jiang wrote.

"It is very important that we sum up the experience of the use of foreign funds over the past 10 years or so. That is why I have advocated the publication of this book," he emphasised.

The statements are a clear departure from the views of Deng, who in 1980 played down fears that the open-door policy might bring "some decadent capitalist influences" to China.

"We are aware of this possibility; it's nothing to be afraid of," Deng told an Italian journalist at the time.

Analysts say the remarks are the latest sign of a campaign by Jiang which has been dubbed the "de-Dengification" of party policy.

Jiang is apparently hoping to distinguish himself from the patriarch and put his stamp of authority on national policy.

Earlier this month, a commentary by the official New China News Agency (Xinhua) directly attacked the Dengist line, which it said had caused the "death of morals" in the country.

"Even though the market economics propounded by Deng Xiaoping have won the support of the Chinese people, complaints about the fall in moral standards have increased day by day," Xinhua said in a signed commentary.

The campaign was first signalled in March when Jiang warned Guangdong officials that they must wipe out decadent ideas from the West.

"This is a problem we have been wrestling with a lot recently," Jiang told Guangdong delegates to the National People's Congress.

In the book preface, Jiang goes on to suggest that foreign investors have begun to threaten China's sovereignty, an echo of the conservative argument that privileges for foreign investors were like a throwback to the foreign concessions of the 19th century.

"The right to control foreign investment absolutely must remain in our hands," he wrote.

"Otherwise problems may crop up, we may go astray and fail to realise the goals of using foreign investment."

Jiang lists six areas where foreign investment can be useful to China, while stressing that the amount used must be "appropriate".

Contracted foreign investment approved by Beijing fell 26 per cent in 1994 from the year before to \$88.68bn and officials are predicting a further decline in 1995.

Published by the party's central school, the book, *The Basics of China's Use of Foreign Capital*, is expected

to become the standard work for cadres on handling foreign investment issues.

The party would soon call on all senior cadres to begin study sessions of the book, Xinhua said in a brief report on Saturday.

It is expected to guide discussions at the national economic work meeting to be held later this year.

The publication of the work had been headed by Vice-Premier Li Lanqing, who oversees foreign investment, and handled by the party's leading group on finance and economics.

Party Seeking To Overthrow CPC Formed in Nanjing

HK2205074195 Hong Kong SOUTH CHINA MORNING POST in English 22 May 95 p 8

[By Jasper Becker in Beijing]

[FBIS Transcribed Text] Nanjing intellectuals say they have formed an unofficial party dedicated to overthrowing the Communist Party.

It is the second such group to be announced recently. Intellectuals and workers in Wuhan claim to have created a China Freedom and Democracy Front in February.

The Nanjing activists, who call themselves the Union Front, say they believe that with Deng Xiaoping's death imminent, China is ripe for political change.

"Our purpose is to enlighten and educate Chinese people to the need to change China's system of government," one organiser said.

The group said it was not planning to start any demonstrations but members are willing to risk imprisonment.

"We want international recognition and support," a spokesman said. He described himself as an official in the Jiangsu provincial Government.

Observers believe many other similar groups have sprung up all over the country. Even in Beijing where the suppression of democracy activists has been rigorous, 45 leading intellectuals announced last week they had sent a signed petition to President Jiang Zemin.

The continuing willingness of intellectuals to risk persecution and imprisonment will add to the Government's nervousness as the June 4 anniversary approaches. Authorities have already filled the universities in Beijing with plain-clothes police.

"The atmosphere is very nervous and tense and there is an obvious increase in police presence," a student at

Beijing University said. She said that students believed that the campus phone lines were also being tapped.

Stories continue to circulate about small posters going up at Beijing University and then immediately being torn down by police agents. None of the students interviewed say they have personally seen any posters.

Foreign students in several campuses outside Beijing report that there has been renewed interest among undergraduates in forming study groups to examine democratic political systems.

One American student said he had been invited to address such a study group to explain how democracy works in his country. In 1989 such groups played a major role in encouraging activism.

The party leadership is most nervous about what happens in the capital where government employees have been warned not to attend any gatherings that might turn into demonstrations.

Sources say that on May Day the authorities mobilised thousands of armed police in the tunnels under Tiananmen Square when holiday crowds were seen gathering around its perimeter.

Protest groups like the Union Front say they want to raise issues like inflation, corruption, unemployment and the massive influx of peasants into the cities.

An internal analysis drawn up for senior members of the Communist Party and obtained by the German weekly news magazine *Der Spiegel*, described such grievances as potentially explosive.

Some observers believe that Mr Jiang is trying to defuse political tensions by sacrificing those politicians most commonly associated with the suppression of the 1989 demonstrations.

The latest to go is Yuan Mu, dismissed a few days ago. As spokesman for the State Council, he was often on television in 1989, aggressively defending the Government's policies.

Tian Jiyun Differs From Center in 'Power Struggle'
HK2205025695 Hong Kong LIEN HO PAO
in Chinese 16 Apr 95 p 8

[Report: "Tian Jiyun's Policies, Line Differ From Central Authorities, Indicating Struggle Between People's Congress and Administrative Departments"]

[FBIS Translated Text] With the "post-Deng" era arriving any day now, differences in policy and direction among the Chinese Communist Party leaders have emerged. Based on the history of the CPC, these differ-

ences will be followed by power struggles in the leadership. Tian Jiyun's remarks on agriculture and on the gap between regions, made during a recent inspection tour of Shenzhen, were obviously different from the current central leadership policy. It is noteworthy that, apart from policy differences and personal rivalries, this may also imply a power struggle between the People's Congress and the government departments.

At the central rural work conference held toward the end of February, Beijing leaders, including Jiang Zemin, Li Peng, Zhu Rongji, and Jiang Chunyun, all made speeches. According to the instructions given at the conference, China's current policies are aimed at narrowing the gaps between industrial and agricultural departments, between the incomes of rural and city dwellers, and between the economic developments of the different regions, in order to avoid a serious imbalance in the nation's economy. In agriculture, the problem lies with the leaders' lack of a sufficient grasp of the relevant ideology, resulting in policies not being implemented, so it is necessary to institute a leadership responsibility system. As for the problem of food supply, it needs to be looked at from the perspectives of politics and strategy; one cannot rely on imports from abroad, and a province-based responsibility system must be thoroughly implemented.

However, according to a report on the conference carried by the XINHUA NEWS AGENCY, Tian Jiyun did not attend the meeting, and nor was Zhu Rongji's speech at the conference reported afterwards. This shows that there have been some delicate changes in the power structure of the top leadership. When Tian Jiyun was Vice Premier of the State Council, he was responsible for agricultural issues. After he changed over to the post of Vice Chairman of the Standing Committee of the National People's Congress, agriculture was overseen by Zhu Rongji, but there was actually no vice premier in charge of agriculture in the State Council, and Jiang Chunyun, who assumed the post of vice premier recently, can be said to be taking over Tian Jiyun's former job. Before Jiang was transferred to his central government post, Tian Jiyun was recognized as an agricultural expert by the central leadership.

The difference in policy and direction between Tian Jiyun and the present central leadership is basically a difference on whether further reforms and opening up are necessary, and whether the market economy system needs to be developed further. Tian insists that the reform and opening-up policy, as well as the market economy system, must be advanced further, while the current policy of the central leadership is to increase administrative interference. This is a continuation of the

difference in policy and direction between the central planning camp and the market-oriented camp. The focus of the controversy has always been on the extent to which the market economy system should be introduced and the extent to which the administration should interfere with the economy. This kind of disagreement will obviously not disappear with the death of Chen Yun, and will of course not end with the passing away of Deng Xiaoping; rather, it may become even more intense.

The difference between this struggle and those of the past is that the political system may be brought in. Tian currently holds the position of vice chairman of the Standing Committee of the National People's Congress. When he objected to administrative interference, it was already not just a question of policy dialogue, because he could make use of his post to weaken interference by the administration. This situation, if it arises, will mean the People's Congress will strengthen its power to counter that of the government departments, and will fulfill the constant wish of the people, who are eager to see democracy develop on the mainland.

New Laws Improve Functions of Local Authorities

*OW1905114195 Beijing XINHUA in English
0946 GMT 19 May 95*

[FBIS Transcribed Text] Beijing, May 19 (XINHUA) — China's Election Law and the Local Organization Law underwent revision in February in order to improve the function of grass-roots level people's congresses, a legislative official said here today.

The two revised laws will allow the people's congresses at the township level to choose a chairman and a vice-chairman to organize activities among the people's deputies. In these activities, deputies can reflect the opinions of the public in a better way and exercise their legislative and supervisory duties, according to Qiao Xiaoyang, deputy director of the Legislative Affairs Commission of the National People's Congress Standing Committee.

"This will help a great deal in building democratic political structures at the grass-roots level in China," Qiao noted.

Another unprecedented step was the new laws' ruling that the people's deputies will be elected through direct elections at the township and county levels, according to Qiao. Elections above the county level are still indirect, but the procedures are simplified and improved in accordance with the spirit of realizing democracy in gradual steps based on the reality of the country's developments, Qiao said.

China began allowing those nominated by a minimum of ten voters to become candidates for heads of the local legislatures, governments, and law-enforcement bodies after 1986, in addition to allowing nomination of the candidates only by the presidiums of the legislatures.

Qiao revealed that 2 percent of the current provincial level officials have been elected this way, including two provincial governors.

Another major change in the revised laws has been a change in the ratio of the number of voters a rural deputy represents to those an urban deputy represents, from the original eight to one at the national level and five to one at the provincial level, to four to one now.

Qiao said that he views it as an important step toward democracy. Because the number of cities and the urban population are increasing rapidly recently, the change of the ratios is also necessary, he commented.

According to the new ratio, the number of rural and urban deputies to the National People's Congress is around fifty-fifty, but the original ratio had urban deputies more than twice the number of rural ones, Qiao explained.

The Election Law of the National People's Congress and the Local People's Congresses at Various Levels, and the Organization Law of the Local People's Congresses and People's Government at Various Level were first adopted in 1979, and revised in 1982, 1986, and again on February 28, 1995.

Number of Rural Deputies to NPC To Increase

*HK2205010295 Beijing CHINA DAILY in English
20 May 95 p 1*

[By Ma Chenguang: "NPC Deputy Numbers To Change"]

[FBIS Transcribed Text] A senior legislator said yesterday that the number of deputies from rural regions to the National People's Congress [NPC] will be enlarged from the current 760-odd members to more than 1,090 in 1997, when the next NPC elections are held.

The number of deputies from urban areas to the NPC will be reduced from 1,500-odd members to about 1,260, said Qiao Xiaoyang, deputy director of the NPC Standing Committee's Legislative Affairs Commission.

This will be achieved in accordance with the newly-revised Election Law of the National People's Congress and Local People's Congresses and the Organic Law of the Local People's Congresses and People's Government.

NPC Official: Democracy 'Step-By-Step' Process

HK1905144595 Beijing ZHONGGUO XINWEN SHE in English 1151 GMT 19 May 95

["China Not To Expand Direct Election" — ZHONGGUO XINWEN SHE headline]

[FBIS Transcribed Text] Beijing, May 19 (CNS) — China has not yet considered expansion of direct election for members to the National People's Congress (NPC), according to the NPC's Standing Committee.

The deputy director of the NPC's law committee, Qiao Xiaoyang, made the remarks today at a press conference on making public the revised election law for the NPC, local people's congress of various levels as well as organization law for local people's congress and local governments of different levels. He said that direct election was carried out for choosing members to the people's congress of county and township level, while indirect election was employed for the people's congress of above county level, both of which Mr. Qiao said was in line with the national situation. He specially pointed out that democracy needed step-by-step progress.

The revised election law pays much more attention to representation of members to the people's congress. According to the present ratio of four to one, members to the people's congress from the rural areas will see an increase of some 300 seats. With agricultural population having a lion's share of the total, China has in recent years looked for an increased number of rural members to the legislative body. Mr. Qiao said that the revised election law registered progress to a great extent, but it was still far from reaching total equality.

The two pieces of revised election law enable the NPC to show strength at grass-roots level. The township people's congress is entitled to create the posts of chairmanship and vice-chairmanship according to the revised election law. The NPC can also set up agencies in 109 prefectures whose administrative status is between province and county.

A stronger function shown by the NPC, Mr. Qiao said, does not necessarily mean that the role played by the Communist Party of China (CPC) is weakened. Mr. Qiao said that leadership of the CPC was constitutional and had been established with a long history.

'Tougher Steps' To Prevent Wrongdoing Planned

OW1905165995 Beijing XINHUA in English 1516 GMT 19 May 95

[FBIS Transcribed Text] Beijing, May 19 (XINHUA) — This year China will take tougher steps to prevent wrongdoing by Party and government officials in such

areas as making overseas tours with public funds, and illegal or arbitrary collection of fees.

According to a circular recently issued by the State Council, China's highest governing body, the central government will continue to check overseas tourism by officials in the name of economic research, attracting investors, and holding or attending trade fairs.

The State auditing departments will clear up the holding of funds and goods of enterprises held by Party or government officials and other employees, the circular says.

In order to ensure smooth highway transportation, the circular reiterated that only the public security, transport and forestry departments are authorized to collect highway fees. No other department is allowed to set up checkpoints or collect fines along highways.

The circular also warns schools and local educational departments about arbitrary collection of fees. And the State will do more work to lessen the burden on farmers.

Hu Jintao Inspects Fujian, Discusses Corruption

OW1905163495 Beijing XINHUA in English 1551 GMT 19 May 95

[FBIS Transcribed Text] Beijing, May 19 (XINHUA) — A senior official of the Communist Party of China (CPC) today urged party organizations at all levels to push ahead with party building so as to ensure sound economic and social development.

Hu Jintao, a member of the Standing Committee of the Politburo of the CPC's Central Committee, made the call today at the end of a week-long inspection tour of eastern China's Fujian Province.

Hu said that in recent months the development of party building has been encouraging nationwide, as party organizations at all levels have been earnestly carrying out the spirit of the 4th plenary session of the Central Committee of the 14th Party Congress held late last year.

The party has further increased its awareness of the importance and imperativeness of enhancing party building, and many local party leaders have been active in doing the job, he said.

Past experience has proved that the leadership of the CPC is necessary for building socialism with Chinese characteristics, and strengthening party building is crucial to consolidating the leadership, he said.

He stressed that the key to the issue is for remarkable new progress to be made in the party's ideological, political and organizational construction.

"Generally speaking, the anti-corruption campaign has been going on well and taking effect nationwide," Hu said. "But the task is still very arduous."

He urged party committees at all levels to redouble their efforts in line with the determination of the central authorities to crack down on corruption resolutely while taking pre-emptive measures.

Party leaders at all levels must be equipped with Marxist views of the world and life, and stand firm against the allurements of power and money, so that they can serve the people under any circumstances, he said.

During the Fujian trip, Hu inspected the situation of party building and local economic and social development in the cities of Xiamen, Fuzhou and Putian. He affirmed the achievements of local party committees and governments, and encouraged them to forge closer links with the local people and help raise their living standards.

Li Peng Signs Decree on Police Insignias

OW2105012895 Beijing XINHUA Domestic Service in Chinese 0924 GMT 18 May 95

[FBIS Translated Text] Beijing, 18 May (XINHUA) — Decree No. 177 of the PRC State Council

Hereby promulgates the "State Council Decision on Amending 'The Designs of the People's Police Insignia and the Ways of Wearing the Insignia'." The decision shall take effect 1 July 1995.

[Signed] Premier Li Peng

[Dated] 16 May 1995.

Cadres' Children Sent Abroad Ordered Home

HK2205074095 Hong Kong HONGKONG STANDARD in English 22 May 95 p 6

[FBIS Transcribed Text] China's ruling Communist Party and the government's top watchdogs have ordered children of officials, who have been sent abroad with public funds, to return home.

"All officials, especially those senior ones, should set good examples and ask their children to return and contribute to their motherland," sources quoted an internal circular as saying.

The circular was jointly issued by the party's Central Disciplinary Inspection Commission and the Ministry of Supervision.

The move is seen as a means to promote the party's image and curb the country's brain drain, as Chinese citizens are angered by favourable privilege enjoyed by children of Chinese officials.

Chinese citizens who were paid by the state coffers to work or study abroad should return on or before the date stipulated in the signed contract, the circular said.

"After studying or working in the foreign countries, Chinese citizens, especially cadres' children, ought to return to China, rather than stay abroad for their own development," it said.

Public-supported students should work to serve the country for at least five years. Otherwise, they must repay the funds.

It cited Chinese President Jiang Zemin as a good example. His son has returned to China after working for a Shanghai firm in Los Angeles.

Shanghai television has aired the news of Jiang's son's return to work for a state-run institution.

Under U.S. regulations, Chinese people working for a Chinese firm in the United States as representatives of investors can hold "green cards" after staying for some time.

Name Reform Considered Aid in Population Control

OW2205032495 Beijing XINHUA in English 0247 GMT 22 May 95

[FBIS Transcribed Text] Beijing, May 22 (XINHUA) — Giving children their mothers' family names instead of their fathers' may help shatter the traditional prejudice that women can not continue the family line, thus removing the last obstacle to China's family planning effort, according to the "China Population News".

Last week the paper carried an article calling for a reform in the way children are named.

The newspaper, published by China's highest population control authority, the State Commission for Family Planning, said that with the development of the economy and an improving social security system, more and more people have accepted the government's one-child policy. However, for the continuing of the family line, many of them still prefer boys to girls.

The article cited ancient Chinese documents as saying that people got their family names from their mothers in the matriarchal stage of society, and that it was not until the stage of patriarchal society that children were given their fathers' family names.

Because children are given their fathers' family names, family names become a symbol of family lines, the article said, and when a family has no children or only a girl who will eventually marry an outsider and have her children named after her husband's family name, people

will think that the family's blood line has stopped, which is a great disgrace in the traditional Chinese way of thinking.

The article suggests that children be named with their parents' family names combined, or even whatever family name the parents regard as proper.

There is another benefit in "liberalizing" family names, the article says. China now has only some 10,000 family names, while Japan, whose population is less than one tenth that of China, has more than 110,000 family names.

The article estimates that 70 percent of the Chinese population is covered by 100 family names, while people named Li alone account for 7.9 percent of the total population.

The article says that things are made worse by young couples today who prefer single-syllable names for their children, whereas traditional Chinese names consist mostly of two syllables.

The abolition of the privilege enjoyed by men in naming children will bring about a major change in people's view of family names and children, and will bring about true equality of man and women, the article added.

The article concluded by calling for support for name reform by the government, and suggested the founding of a special body to promote the reform.

Vice Minister at Meeting on Student Nutrition

OW2205032395 Beijing XINHUA in English
0234 GMT 22 May 95

[FBIS Transcribed Text] Beijing, May 22 (XINHUA) — "Nutrition brings you health, wisdom and strength."

That was the theme of Saturday's National Nutrition Day for Chinese students.

A symposium that opened at the Great Hall of the People revealed that malnutrition rates of Chinese students reach 44 percent in some rural areas, according to standards of the World Health Organization.

Held by the Chinese Students' Nutrition Promotion Association, the three-day symposium will hear reports from nutritionists and concerned officials from across the country.

At the opening ceremony, Vice Public Health Minister He Jiesheng pointed out that the third national nutrition investigation of 1992 showed under-nourishment and overeating simultaneously exist among the students.

Quality protein, some trace elements like calcium and zinc, and some vitamins did not make up a sufficient portion of students' diets.

About 30 to 40 percent of primary and high school students did not eat nutritious breakfasts; some of them even ignored the first meal of the day, according to He.

She added that most school teachers, students and their parents did not know much about nutrition, which resulted in young people aimlessly taking tonics and going on diets.

Railway Minister Stresses Crossing Safety

OW2205011195 Beijing XINHUA in English
0058 GMT 22 May 95

[FBIS Transcribed Text] Shenyang, May 22 (XINHUA) — Motor vehicle drivers are warned to be more careful when they pass over railway level crossings.

Information from an ongoing national meeting on safety and management work of railway level crossings opened here Sunday [21 May] shows that from 1990 to 1994 the number of accidents at level crossings totalled 12,936, killing and injuring 12,212 people. More than 90 percent of the accidents took place at unmanned crossings.

Guo Lin, vice-minister of railways, said that 99.8 percent of the accidents happened because motor vehicle drivers violated traffic regulations and only tried to race trains in getting through the crossings.

Last year China decided to strengthen management of unmanned level crossings, and by the end of the year, the country saw a fall of 13.6 percent in accidents at these places when compared with the previous year, and a 6.2-percent decrease in casualties compared with 1993 figure.

The meeting was jointly held by the State Commission of Economy and Trade, the Ministry of Railways, the Ministry of Public Security and the Ministry of Labor.

Symposium on Fertility Regulation Opens in Beijing

OW2105152195 Beijing XINHUA in English
1511 GMT 21 May 95

[FBIS Transcribed Text] Beijing, May 21 (XINHUA) — More than 250 Chinese and foreign scientists gathered here today to discuss issues on reproductive health.

The five-day symposium is the biggest of its kind hosted by China's State Family Planning Commission (SFLC) since 1986.

Addressing the opening session of the symposium, SFLC Vice-Minister Li Honggui said that China has started to carry out family planning since the early 1970s and then set the controlling of the growth of population and improving their quality as a basic national policy.

Thanks to the efforts in the past two decades and more, the country's birth rate has been dropped to 17.7 per thousand in 1994 from 33.43 per thousand in 1970, with the natural increase rate of the population going down to 11.12 per thousand in 1994 from 25.83 per thousand in 1970, Li said.

The research on reproductive health is a great work that needs wide international cooperation and the active participation of all social forces, he added.

He expressed his hope that scientists of all countries and regions would strengthen their cooperation and make greater contribution to promoting fertility regulation and reproductive health so as to achieve a coordinate development of population, economy, society, resources and environment.

Ian Howie, representative of the United Nations Population Fund, spoke highly of the achievements China has made in male methods and male participation at the symposium, saying it is "very encouraging." [sentence as received]

He said that he was "glad" that strengthening the national research institutes together with a network of smaller ones is a priority in the Chinese Government's strategic plan to meet national reproductive health needs.

During the symposium, Chinese scientists will introduce the achievements in the field they have made in the past five years and discuss with their foreign counterparts the challenges and opportunities China is to face in population control and reproductive health.

Measures Taken To Protect Ozone Layer

OW1905115695 Beijing XINHUA in English
1019 GMT 19 May 95

[FBIS Transcribed Text] Beijing, May 19 (XINHUA) — China has introduced 65 million US dollars through international organizations in a bid to phase out the Ozone Depleting Substances (ODS).

With the support of the United Nations Development Program (UNDP), the World Bank (WB) and the United Nations Industrial Development Organization (UNIDO), China has pledged to phase out 28,000 tons of ODS in more than 100 projects. On Thursday [18 May] this week the Tianjin Polyurethane Plastic Product Factory became the first enterprise in China which has achieved anticipated result of protecting ozone layer by using Montreal Protocol Multilateral Fund.

China has worked out strategies to reduce the production and consumption of ODS in aerosol, chemical production, refrigerator, foam, commercial refrigeration, MAC

[expansion unknown], solvent and halon sectors, according to Wang Yangzu, deputy administrator of the National Environment Protection Agency (NEPA).

Besides, NEPA has set up its project management office, and the relevant ministries and commissions have set up ozone layer protection leading groups, Wang said.

China has actively participated in international conferences like Conference of Parties to Montreal Protocol and Multilateral Fund Executing Committee, and has selected and recommended several Chinese experts to international organizations of ozone layer protection, and established close relationship with the UNDP, WB, UNIDO and UNEP.

"At the same time, we have broadened bilateral cooperation with the United States, Germany, Canada, Australia, and are planning to cooperate with Denmark and Britain," Wang Yangzu said.

Because the Seventh Conference of the MP parties in November this year may move up the phaseout deadline from the year 2010 to the year 2005, China's talk for ozone layer protection will be still tougher, according to Wang.

As the developed countries will phase out the use and production of ODS from 1996, China will be the largest ODS producer and consumer in the world.

CCTV Establishes Media Survey Center

HK2205010495 Beijing CHINA DAILY in English
20 May 95 p 2

[By Chen Chunmei: "CCTV Establishes Media Survey Base"]

[FBIS Transcribed Text] China Central Television (CCTV) set up its Central Viewer Survey and Consulting Centre yesterday in Beijing.

The centre, an extension of the country's largest media survey network, will conduct media surveys, market studies, monitor advertisements and conduct public opinion polls.

The centre will make use of the CCTV media survey network in an effort to serve society, said Yang Weiguang, Vice-Minister of Radio, Film and Television and CCTV President.

The CCTV media survey network, set up in 1986, has 51 branches in the country's 30 provinces, municipalities and autonomous regions with more than 10,000 random samples, which have supplied scientific bases for CCTV's programming and for enterprises' advertising strategies.

The network conducted national TV viewer surveys in 1987 and 1992 and public opinion polls during the National People's Congress (NPC) and Chinese People's Political Consultative Conference (CPPCC) periods in successive years.

With advanced computers and communication facilities, the network's TV viewers survey is approaching the international advanced level, Yang said.

Approval Needed To Link Networks With Internet
HK2205102095 Beijing CEI Database in English
22 May 95

[FBIS Transcribed Text] Beijing (CEIS) — Chinese information networks to link with Internet must be approved by the State Office of Economic Information joint meetings, according to a circular issued by the office.

Aiming at unified planning and management of Chinese information networks, the circular says that operators of such networks must apply to the office for approval if they want to be linked with Internet.

Internet is the largest international computer information network in the world.

Table of Contents for QIUSHI No. 10
HK2205073395 Beijing RENMIN RIBAO in Chinese
16 May 95 p 7

["Table of Contents of QIUSHI, No. 10, 16 May"]

[FBIS Translated Text] Article by Chen Yun: How To Make Fewer Mistakes (7 February 1947)

Article by Yuan Baohua: Rely on All Staff Members and Workers to Run Enterprises Well

Exclusive Interview by staff reporters Tian Ying and Chen Huaipeng: The Realization of National Reunification is the Highest Aspiration of the Chinese Nation—Interview With Wan Guoquan, Vice Chairman of Chinese People's Political Consultative Conference and President of Committee for Promoting China's Peaceful Reunification

Article by Wu Yixia: Try by Every Means to Strive for Steady Growth of Grain Production

Article by Wang Ruisheng: Analysis of "Money Worship"

Article by Gu Xiulian: On Management of Trade

Article by Zhang Yu: Three Major Problems in Reform of Large State Enterprises Viewed From Anshan Iron and Steel Complex

Article by Jiang Mingan: Market Economy and Government Behavior

Article by Wang Maolin: Training and Selecting Leading Cadres With Both Ability and Political Integrity is Major Issue Concerning Overall Situation

Article by Chu Qingfu: How We Grasped the Building of the Ranks of Writers

Article by Xu Bizhen: Briefly Commenting on Unanimity of Socialist Market Economy and Collectivism

Article by Liang Wenxin: "Debate on Righteousness and Benefits" Under Market Economic Conditions

Article by Pan Chunliang: Question of Acquiring Scientific Understanding of "Being Tough on One Hand and Soft on the Other"

Article by Li Kexiao: Computer Technology—An Extension of the Human Brain

Article by Zhao Guoqing: How Our Elder Generation Grew—Reading the "Story of the Old Red Scarf"

Article by Nan Ke: On the "Gap in Succession"

Science & Technology

Launch Agreements Signed With U.S. Companies
OW1905140895 Beijing XINHUA Domestic Service
in Chinese 1113 GMT 19 May 95

[By reporter Xi Qixin (1153 0796 2450)]

[FBIS Translated Text] Beijing, 19 May (XINHUA) — China is going to launch two foreign satellites over the next two years, one is the Asia-Pacific 1A satellite built by the Hughes Corporation of the U.S., and the other is the No. 3 satellite manufactured by the Ekstar [name as transliterated] Company of the U.S.

The China Great Wall Industry Corporation (CGWIC) and the Asia-Pacific Telecommunications Satellite Company (APTSC) signed a contract in Beijing today for the service of launching the Asia-Pacific 1A satellite with a Long March-3 carrier rocket. CGWIC vice president Liu Zhixiong and APTSC president He Kerang respectively signed the launch service contract on behalf of their companies.

The Asia-Pacific 1A is a HS376-model synchronous telecommunications satellite manufactured by the Hughes Space Telecommunications Company of the U.S. It is about 1,400 kg in weight and has 24 transponders. According to the contract, the satellite will be launched from the Xichang Satellite Launch Center in the first quarter of 1996.

It has been learned that the CGWIC signed a contract with the American Ekstar Company on 8 May in the U.S. for launching the company's No. 3 satellite with a Long March-3C carrier rocket. This is the third time the Ekstar Company has selected a Long March series rocket to launch its satellite for live TV transmission, after launching its No.1 and No.2 satellites with Long March-2 cluster rockets. This satellite is scheduled to be launched between September and November in 1997.

Satellite Communications for Aviation Planned

OW1905130295 Beijing XINHUA in English
0937 GMT 19 May 95

[FBIS Transcribed Text] Beijing, May 19 (XINHUA) — China will build a ground satellite telecommunications system for its civil aviation services, XINHUA learned today.

According to an official with the Telecommunications Department under the Civil Aviation Administration of China (CAAC), before the end of this year, satellite dialing and data ground stations will be built at more than 90 airports across the country and will be all connected together with the help of "Asia-Pacific 1" telecommunications satellite. By then, China will be blessed with dialing systems for air traffic management, civil aviation operation management, and a data network, which will play an important role in ensuring safety and normal operation of flights offered by Chinese airlines.

The "Asia-Pacific 1" satellite was launched with China's "Long March-3" carrier rocket for the Hong Kong-based Asia Pacific Satellite Communications Co., Ltd. on July 21, 1994 at Xichang Satellite Launch Center.

At present, ground telecommunications for China's civil aviation services are done by radio lines owned by the country's posts and telecommunications departments, which are characterized by slowness.

Document on Accelerating Scientific Progress Released

OW2105012795 Beijing XINHUA in English
0101 GMT 21 May 95

[FBIS Transcribed Text] Beijing, May 21 (XINHUA) — The Chinese Communist Party's Central Committee and the State Council today released a decision, which was made on May 6 this year, on accelerating China's scientific and technological progress.

The 13,000-word, 40-article document contains the following 11 parts:

1. Implementing (Deng Xiaoping's) theory of "science and technology being the top productive force" in all fields;

2. Promoting agricultural and rural scientific and technological progress in a big way;

3. Improving the quality and efficiency of industrial growth by relying on scientific and technological progress;

4. Developing high-technology and high-tech industry;

5. Promoting scientific and technological progress in social development;

6. Strengthening basic research;

7. Deepening scientific and technological structural reform, and building up a new scientific and technological structure to conform with the socialist market economy;

8. Building up a high-level scientific and technological contingent and improving the overall scientific and cultural qualities of the nation;

9. Opening up more channels to increase scientific and technological input;

10. Further opening to the outside world and conducting extensive international scientific and technological cooperation and exchanges; and

11. Strengthening party and government leadership over the country's scientific and technological work.

Document Summed Up

OW2105013295 Beijing XINHUA in English
0104 GMT 21 May 95

[FBIS Transcribed Text] Beijing, May 21 (XINHUA) — The Chinese Communist Party Central Committee and the State Council have decided to unswervingly implement the strategy of invigorating China through science and education to achieve the nation's prosperity.

In the Decision on Accelerating Scientific and Technological Progress published today, the Party Central Committee and the State Council say, "Science and technology are the most important productive force, the most important driving force behind economic and social development and a decisive factor for achieving prosperity in China."

The decision says that to expand China's social productive forces substantially, increase its comprehensive strength, improve people's living standards and ensure the attainment of the strategic goal for China's modernization in three phases, it is imperative to energetically develop science and technology and speed up scientific and technological progress in the whole society.

According to the decision, a series of expositions by Deng Xiaoping on scientific and technological work

are an important component of his theory of building socialism with Chinese characteristics, and constitute a guiding principle for scientific and technological work during the current new period.

Since the Third Plenary Session of the 11th Party Central Committee in late 1978, the Party Central Committee and the State Council have formulated a series of policies and principles concerning scientific and technological work, the decision says.

It adds, "Practice has proven that the principles and policies formulated and strategic arrangements made by the Party Central Committee and the State Council are correct and that the practice of the reform of the scientific and technological system is successful."

On the whole, it goes on to say, China has initially gained scientific and technological strength for supporting its economic and social development and participating in international economic competition, laying a solid foundation for speeding up scientific and technological progress in the whole of society.

The decision also holds that the idea that science and technology are the most important productive force has not been implemented to the letter; that there still exist in systems, mechanism and ideological concepts many unfavorable factors impeding the integration of science and technology with the economy; and that most enterprises still lack the internal initiative to rely on scientific and technological progress.

Furthermore, the ratio of turning scientific and technological findings into productive forces and the ratio of contributions by science and technology to economic growth are relatively low.

The decision says that there still exists an irrational structure of the scientific and technological system, overlapping of institutes and dispersion of the research forces resulting from the old system.

The system under which the whole society makes input in science and technology through a variety of channels is yet to be introduced and the state of inadequate input is yet to be changed, it notes.

"These difficulties and problems in the course of advance seriously restrict scientific, technological and economic development, hence the necessity of paying close attention to them and taking effective measures to solve them," it points out.

The period from now to the mid-21st century will be a crucial historical period for China to attain its strategic goal for modernization in three phases, it says.

"During this period the rapid development of science and technology will certainly play an enormous role

in pushing forward economic and social development, and will bring revolutionary changes to the production modes and life styles of the mankind," it adds.

Scientific and technological strength has become an important factor for determining a country's comprehensive strength and international standing, the decision says.

It notes that in the face of the severe challenge stemming from international economic, scientific and technological competition and in line with China's actual conditions marked by a huge population, a poor economic foundation and a low per-capita share of resources, it has become an urgent task to speed up the strategic shift from an extensive-type growth of the national economy to an efficiency-based growth.

The decision says that invigorating China through science and education means implementing to the letter the idea that science and technology are the most important productive force, persisting in taking education as the foundation, and giving top priority to science, technology and education in economic and social development.

It also means increasing China's scientific and technological strength, and enhancing its capabilities to turn science and technology into actual productive forces, improving the scientific, technological and cultural qualities of the whole nation and switching economic construction to the track of relying on scientific and technological progress and the improvement of workers' quality, in order to accelerate the achievement of the country's prosperity.

The decision describes the implementation of the strategy of invigorating China through science and education as a "strategic policy decision" to carry out to the letter the idea that science and technology are the most important productive force.

According to the decision, the goal for the year 2000 is to initially institute a scientific and technological system that will meet the needs of a socialist market economic structure and the law governing the development of science and technology.

Great progress will be made in industrial and agricultural scientific research, technological development, basic research and high-tech research.

Meanwhile, the ratio of contributions by scientific and technological progress to economic growth will rise markedly, the decision says, adding that China's economic construction and social development will shift primarily to the orbit of relying on scientific and technological progress and the improvement of laborers' qualities.

The following strategic goals will have been attained by 2010: a newly-established scientific and technological system will be consolidated and improved, and science and technology will be combined with the economy; scientific and technological strength in a number of key branches of science and a number of high-tech areas will approach or meet advanced international standards; the capabilities to independently develop new technology and products will be improved substantially and key technology and system design techniques for major industries will be mastered; and production technology in major areas will approach or meet the standards of developed countries in the early 21st century and a number of new industries will meet advanced international standards in terms of production technology.

The decision stresses that the fundamental principle governing China's scientific and technological work is to adhere to the idea that science and technology are the most important productive force, economic construction must rely on science and technology, and scientific and technological work must cater to the needs of economic construction.

It asks party committees and governments at all levels to take effective measures to strengthen leadership over scientific and technological work.

The State Council and provincial governments must hold at least two meetings a year to discuss scientific and technological work and take effective measures to solve problems cropping up in such work.

The decision urges party committees and governments to solicit the opinions of scientists and experts in making important policy decisions on economic construction and social development, so that their policy decision-making will be a scientific and democratic process.

In addition, party and government leaders must supervise the implementation of various policies and measures concerning science and technology, the decision says.

Emphasis on Agriculture

*OW2105015995 Beijing XINHUA in English
0128 GMT 21 May 95*

[FBIS Transcribed Text] Beijing, May 21 (XINHUA) — China will attach great importance to scientific and technological progress in agriculture, and shift the traditional form of agriculture to a modern high-yield, good-quality and high-efficiency form, making its agricultural science and technology among the world's best.

This was disclosed here today in "The Decision of the Chinese Communist Party Central Committee and the State Council on Accelerating Scientific and Technological Progress."

The decision lays emphasis on making China's existing advanced agro-science and technology into a complete set while selectively importing quality breeds, advanced technology and management expertise from overseas, and accelerating their popularization.

It demands a high rate of turning scientific and technological findings into agricultural productive forces and increased returns from economies of scale.

By the end of this century, the decision continues, the contribution rate of scientific and technological progress in agriculture should amount to 50 percent. This progress should provide a technical guarantee for achieving the production goals of main agricultural produce such as grain, cotton and edible oil and satisfy the demand for nonstaple food, including pork, eggs, milk and vegetables.

The decision requires the continuation of the combination of agriculture, science and education to fully popularize scientific technological know-how in agriculture and train agricultural technicians of various types in a bid to further strengthen the know-how popularization work.

The social service systems in rural areas should be enhanced, forming an organic whole of technology, industry and commerce, the decision says, adding that governments at all levels should improve the working and living conditions of the technical extension teams.

It demands great breakthroughs in key technical sectors which weigh heavily on agricultural progress, including the breeding of new animals and plants, prevention and control of plant diseases and elimination of pests, regional comprehensive development, processing of agricultural produce and their comprehensive utilization, as well as protection of the agricultural environment.

The decision says that township enterprises should upgrade their technological levels and management expertise.

Various advanced techniques should be used to open up new employment prospects for surplus rural laborers, and to promote industrialization of rural areas and construction of small towns, the decision adds.

Reorganize Basic Industries

OW2105020795 Beijing XINHUA in English
0154 GMT 21 May 95

[FBIS Transcribed Text] Beijing, May 21 (XINHUA) — The Chinese Communist Party Central Committee and the State Council have decided to organize basic and pillar industries to tackle key scientific and technological problems they face.

In the Decision on Accelerating Scientific and Technological Progress, the Party Central Committee and the State Council say that this is because China's industrial development has entered a crucial period calling for the improvement of growth quality and returns.

The decision says that China will focus on developing and spreading electronics information technology, sophisticated manufacturing technology, energy-saving technology, clean production and environmental protection technology.

It adds, "China will gradually set up a modern information network and speed up the process of spreading the use of information in the national economy," it says.

It pledges efforts to promote the application of advanced electronics information technology to production, management and services, and solve the key technical problems in spreading the use of information and modernization in such areas as transportation, telecommunications, commerce, trade, finance, taxation, banking, insurance and social services.

Meanwhile, energetic efforts will be made to push forward the growth of information, consultancy and other service industries closely related to scientific and technological progress, it says.

The decision notes that development of key industrial technology, technological development and equipment development must be based primarily on the domestic research force.

It also stresses the importance of basing the growth of the national economy primarily on self-reliance and domestic invention.

High-Tech Development

OW2105023495 Beijing XINHUA in English
0207 GMT 21 May 95

[FBIS Transcribed Text] Beijing, May 21 (XINHUA) — China places the development of high technology on top of the agenda for the country's overall development program in the Decision on Accelerating the Progress of Science and Technology, which was issued here today.

According to the decision, issued by the Central Committee of the Communist Party of China and the State Council, the state will carry out a policy which gives preferential treatment to high-tech development in tax payment, credit and raw material purchase.

Efforts will be made to raise the quality of China-made high-tech products and the competitiveness of these products on both domestic and international markets, expand the production scale and efficiency of high-tech industry and its proportion in the entire national economy and make some aspects of high technology pillar industries of the country.

Large- and medium-sized enterprises should enhance cooperation with scientific research bodies and institutes of higher learning in the development of high-tech products which have good prospects, the decision says.

Research institutes and universities are encouraged to build high-tech enterprises of various kinds. Nongovernmental scientific firms, which have appeared as a new force in the development of high-tech industry in China, will be encouraged to grow in the right direction, it said.

New and high-tech industrial development zones are important bases for the growth of high technology in China. The government will give preferential treatment to the development of some selected projects.

Efforts will be made to set up a number of large inter-regional and inter-trade enterprises or enterprise groups which are geared to large-scale high-tech production and own intellectual property rights.

The state will continue to work out new programs for the development of high technology.

The research into electronic information, biology, new materials, new energy, space technology and oceanology should approach or reach the advanced level of the developed countries and match certain areas of high technology in the world.

High technology should play a leading role in national defense, especially in the development of weapons.

Emphasis will be placed on the development of technology for both military and civilian use, and steps will be quickened for the shifting of military technology to civilian use.

Social Development Research

OW2105023695 Beijing XINHUA in English
0216 GMT 21 May 95

[FBIS Transcribed Text] Beijing, May 21 (XINHUA) — China will intensify its research into scientific and

technological projects concerning social development, according to a key-note decision unveiled today.

"The Decision on Accelerating the Progress of Science and Technology," made by the Central Committee of the Communist Party of China and the State Council, calls for starting a batch of comprehensive and key scientific and technological projects in population, resources, environment, medicine and other social development fields.

The decision calls for beefed-up research into new technology and methods for family planning, diagnosis and prevention of major diseases, and accelerated establishment of a system for self-reliant research and development of new medicine, traditional Chinese medicine and medical equipment.

By early next century, the decision says, the incidence of major diseases should be distinctly reduced.

The decision says that China will carry out, in a comprehensive manner, the "China Agenda 21st Century," which was made public in March 1994. By relying on science and technology, China will hold population growth in check, promote the quality of the populace, rationally develop and utilize resources, protect the ecological environment, and realize sustained and coordinated economic and social development, it adds.

It urges the formation of a number of model projects for protecting, harnessing and utilizing the environment, ecology and resources, and the establishment of pilot bases for social development led by science and technology.

The decision emphasizes research into the development and comprehensive utilization of the country's land resources, marine resources and relevant scientific and technological problems.

It urges vigorous development and spreading of clean energy technology, clean production technology and anti-pollution technology as well as the relevant equipment.

Basic Science Research

*OW2105033095 Beijing XINHUA in English
0241 GMT 21 May 95*

[FBIS Transcribed Text] Beijing, May 21 (XINHUA) — China will strengthen research into basic science and gradually increase input in this sector, according to the Decision of the Chinese Communist Party Central Committee and the State Council on Acceleration of Scientific and Technological Progress released here today.

The amount of expenditure for research into basic science should be gradually raised in the total state expenditure on scientific research and development, says the decision.

At present, basic research should place emphasis on the state targets to provide motive force for the national economy and social development, basic theory and technology for future economic and social development, and research into new technologies and methods.

Meanwhile, stress will be put on research into new branches of science, frontier science and applied basic science, combinations of natural science and social science and the study and application of soft science, the decision says.

Research into basic science should identify focal areas in catching up with advanced world levels and make bold explorations aiming at the state targets and advanced world level.

The state will organize, in accordance with the financial resources of the country, research into some key scientific items which will play vital roles in the national economy and social development.

A number of scientific research centers, which will be open to the public, will be built, in addition to the existing key state institutes and laboratories.

Efforts will be made to upgrade scientific apparatus and instruments and cultivate the country's ability for independent research and development.

The state will build national scientific and technological information installations and a network connecting data banks of all research institutes and universities in the country with the aim of sharing scientific and technological data.

State-Funded Research Bodies

*OW2105033895 Beijing XINHUA in English
0316 GMT 21 May 95*

[FBIS Transcribed Text] Beijing, May 21 (XINHUA) — China will further streamline its state-funded science research institutions while maintaining a first-class research contingent, according to a state decision published here today.

"The Decision of the Chinese Communist Party Central Committee and the State Council on Accelerating Scientific and Technological Progress" says that in this process a number of state research centers will come into being in major fields of basic, applied and high-tech research as well as research for the public welfare.

These research centers will boast outstanding talents and be open to both domestic and overseas researchers, the decision says.

Meanwhile, it says, the state will further cut the number of state-funded research bodies by giving free scope to and invigorating those institutions of technological development and services closely related to economic development..

Such institutions should be run primarily in line with the market mechanism, specializing in research and development, technological services and commercialization of research achievements while undertaking state research projects through a competitive mechanism, the decision says.

It stresses that the deepening of the reform of the science and technological system in the coming years should focus on separating institutions and personnel for different purposes.

It is necessary for the state to effectively tackle the problems of repetitive establishment of research institutions, scattered deployment of research personnel and disjunction between research and the economy, the decision says, calling for reinforcement of technological development in enterprises and combination between research and the economy.

During the transition period of the reform, the state will continue to provide policy support for the research institutions that have been cut off from the state fund, it says.

Meanwhile, the state will increase practical support, in terms of research projects, funds, equipment, and working and living conditions, to a limited number of key research institutions that rely mainly on state funds for conducting basic research, or undertaking major applied and high-tech research projects of national interest, the decision notes.

It says that by the end of the century it will be necessary for China to establish a brand-new science and technology system that is adapted to the socialist market economic system and conforms to the laws of scientific and technological development.

Such a new system will include a rational structure, a vigorous operational mechanism, a diversified input mechanism and a scientific management system, the decision states.

More Expenditure on Science

OW2105072095 Beijing XINHUA in English
0651 GMT 21 May 95

[FBIS Transcribed Text] Beijing, May 21 (XINHUA) — China will spend more money to accelerate scientific and technological progress, according to a state decision on scientific and technological development made public today.

"The Decision of the Chinese Communist Party Central Committee and the State Council on Accelerating Scientific and Technological Progress" says the annual growth rate of the science and technology budget of the central government and local governments should be higher than that of their financial revenue.

The decision noted that the central government and local governments should arrange a fixed sum of special money, in the infrastructure budget, for key scientific and technological bases and key projects.

More funds should be put into the agricultural research, basic sciences research and high-tech research, and the working conditions of the scientific and technological units should be improved in a systematic way, the decision notes.

The decision states that effective measures should be taken to readjust the investment structure, encourage and lead the whole society to increase its scientific and technological input through various channels and at all levels in a bid to change the current low-input situation and to improve efficiency of various scientific and technological expenditure.

By the year 2000, the decision says, the research and development expenditure of the whole society for scientific and technological progress should make up 1.5 percent of the country's GDP.

It says that the state will make use of economic levers and policies to guide and encourage various kinds of enterprises to spend more money on scientific and technological progress in the hope that they will gradually become the main source of scientific and technological input.

The decision said the ratio of scientific and technological loan should be increased in the state credit program, and the scope of commercial loans for scientific and technological progress should be expanded.

It is hoped to develop risk investment, establish risk investment systems and take an active attitude toward absorbing overseas funds for scientific and technological progress.

The state should support, within a certain scope, the activities of technical transfer and technological development after they get relevant approval, the decision notes.

The State Council's various preferential policies on promoting scientific and technological progress should continue to be improved and implemented in a serious manner, the decision adds.

International Cooperation

OW2105073995 Beijing XINHUA in English
0654 GMT 21 May 95

[FBIS Transcribed Text] Beijing, May 21 (XINHUA) — China will conduct comprehensive international cooperation and exchanges in science and technology, according to an official decision released today.

"Multi-channel, multi-level cooperation and exchanges will be carried out in line with the principles of equality, mutual benefit, achievement-sharing, protecting intellectual property rights and respecting international practices," says the decision on spurring the development of science and technology.

To match economic and social growth, China will focus on cooperation in high-technology and making use of overseas advanced production technology, says the decision drawn up by the Central Committee of the Communist Party of China and the State Council.

China will continue to encourage the combination of technology and trade, and provide more access to foreign trade for research institutions and science-intensive enterprises.

Research institutions, high-tech development zones and high-tech enterprises are encouraged to cooperate with foreign firms to export high-technology and high-tech products, says the decision.

Foreign experts are welcome to work or conduct exchanges in China, and high-tech enterprises and research institutions are encouraged to establish branches abroad and conduct technology trade, said the decision.

Channels should be added and the range should be widened for international co-operation in the basic research field. In some major fields, research bases can be built in cooperation with foreign research institutions or enterprises, said the decision.

Conditions should be created for scientific researchers, especially young and middle-aged ones, to conduct international cooperation, to travel and receive training abroad, and to take part in international exchanges, said the decision.

Daya Bay Unit Two Reactor Back in Service

HK2105073595 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 21 May 95 p 2

[FBIS Transcribed Text] Engineers at the troubled Daya Bay nuclear plant have completed an overhaul of its second reactor, resuming its supply of electricity to Hong Kong.

But Hong Kong Nuclear Investment Company spokesman Albert Chan Wu-chung said Unit One, shut down for an overhaul last December, would remain closed indefinitely.

Mr Chan said Unit Two had passed tests and an extra eight control rods had been added to the existing 53, following investigations into the faulty Unit One.

"We have put extra rods into Unit One and the engineers are still conducting tests," he said.

Official Notes Progress on Cleaner Production

OW2205092595 Beijing XINHUA in English
0836 GMT 22 May 95

[FBIS Transcribed Text] Beijing, May 22 (XINHUA) — Over the last two years the Chinese government has actively promoted cleaner production under the principle of "prevention first", and has made marked progress in personnel training, scientific research, policy making and pilot projects in the field.

Faced with the increasingly severe pollution brought about by its spiraling industrial development, China's industry must adopt cleaner production, Wang Yangzu, deputy administrator of the State Bureau of Environment Protection, told the International Advanced Symposium on Cleaner Production, which opened here today.

China began to carry out cleaner production pilot projects in 1993 with the support of the World Bank and the United Nations Environment Program. To date, a number of technicians and experts have been trained, a number of pilot projects set up, and ways suitable for Chinese enterprises developed. All these have laid a good foundation for the all-around promotion of cleaner production nationwide, Wang said.

China's work in the field is attracting increasing attention from the international community, and China has set up good cooperative relations with the World Bank, the United Nations Environment Program and the United Nations Industrial Development Organization, according to Wang.

At present, China's economy is experiencing a strong momentum, with its gross domestic product developing

at a double-digit rate for three years running. At the same time, the Chinese government has attached great importance to environmental protection. China passed the China's Agenda 21 after the United Nation's Environment and Development Meeting in 1992, and listed cleaner production as an important measure to control industrial pollution in the 1990s at the Second National Industrial Pollution Prevention and Control Conference in 1993.

Meanwhile, Wang pointed out the problems facing China. The energy structure dominated by coal will be hard to change for a long period to come, which will exert great pressure on air quality; in most of cities and areas, especial in north China, the shortage of freshwater will be increasingly severe and be further aggravated by declining water quality; there is a sharp contradiction between population rise and shrinking resources; the afforestation rate is low, and soil erosion and grassland degradation have not yet been effectively put under control.

In addition, China will enter a stage of accelerated industrialization in 10 or 15 years, which is estimated to produce greater pressure on the environment in terms of the industrial structure, technical structure and booming township enterprises.

The further strengthening of international cooperation in the field will help China better draw on advanced international techniques and experience, Wang said.

Representatives from the UNEP and UNIDO at the conference highly praised China's efforts in the field and expressed confidence in the future of the work in China.

Military & Public Security

Taiwan Paper Says PRC To Test Dongfeng-31 ICBM
HK2205120195 Hong Kong AFP in English
1106 GMT 22 May 95

[FBIS Transcribed Text] Taipei, May 22 (AFP) — China will conduct a intercontinental ballistic missile (ICBM) test after exploding a nuclear device underground last week, a local newspaper reported Monday.

The test of the Dongfeng-31 long-range missile, which can carry a 700-kilogram (1,540-pound) nuclear warhead, is part of China's efforts to keep its atomic weapons program abreast of U.S. and Russian capabilities, the CHINA TIMES said, quoting an unnamed military source here. The missile has a range of 8,000 kilometers (4,960 miles) and could strike the west coast of the United States and Europe, the source said, adding that the upcoming launch would test the missile over a 2,000-kilometre (1,240-mile) trajectory. The Dongfeng-

31 is powered by three rockets and can be launched from a mobile base, the source added.

The report also claimed that the May 15 underground nuclear test in China's northwest and three previous tests last year were related to the development of the strategic guided missile system.

Taiwan's defense ministry declined comment on the report when contacted by AFP on Monday.

According to the paper, China has the world's fifth largest arsenal of guided missiles, but the number of its long-range weapons is less than 50. Its most powerful long-range missile is the Dongfeng-5A, whose range covers 15,000 kilometers (9,300 miles), and is deployed in central China, it said.

Shandong Secretary Watches Military Performances

SK2205035395 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 21 May 95

[FBIS Translated Excerpt] Military vehicles were lined up and shots were heard at the Jinan police school under the headquarters of the Chinese People's Armed Police Force on the morning of 21 May. A report-back meeting to give military training performances was ceremoniously held here by the provincial public security and armed police fronts.

Watching the performances were leading comrades of Shandong Province, the Jinan Military Region, the Air Force of the region, and the provincial military district, including Zhao Zhihao, Li Chunting, Li Wenquan, Chen Jianguo, Li Zhen, Tan Fude, Sun Shuyi, Wang Yuxi, Zuo Yinsheng, and Shen Zhaoji; mayors and commissioners of cities and prefectures; and responsible comrades of the provincial-level departments concerned. [passage omitted]

Zhao Zhihao, secretary of the provincial party committee, made a speech before the performances.

He said that our province's public security and armed police forces are contingents that are loyal to the party and the people, politically strong, professionally well trained, and able to undertake formidable tasks.

He hoped that the province's public security and armed police forces would always heed what the party says, follow the party, be the people's faithful guards, be highly vigilant, resolutely deal blows to criminal activities, further stabilize social order, comprehensively upgrade the quality of Army political worker contingents, enhance combat effectiveness, and be powerful contingents that are always qualified and enjoy popular support and instill fear in the enemy.

Shandong Police Force Holds Emergency Drill

*SK2005055595 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 19 May 95*

[FBIS Translated Text] In order to further upgrade the capabilities of the broad masses of public security cadres and policemen and of the officers and soldiers of armed police forces to cope with unexpected incidents, to respond rapidly to incidents, and to launch an overall battle, the Jinan City Public Security Bureau held maneuvers at the Army Academy under the Jinan Military Region on 19 May to display the military skills resulting from training in various fields.

During the maneuver, more than 1,700 public security cadres and policemen and the officers and soldiers of the armed police force braved the rain to demonstrate capturing offenders, wrestling with offenders, mobilizing by taking trucks with fast speed, and operating with multiple military skills to cope with public security emergency incidents.

Viewing the maneuver were Sun Shuyi, member of the provincial party standing committee and secretary of the commission of political science and law under the provincial party committee, and relevant responsible comrades from the Jinan Military Region and Jinan City.

General

Liu Huaqing, Hu Qili Inspect Electronics Sector

*OW2005000195 Beijing XINHUA Domestic Service
in Chinese 0444 GMT 14 May 95*

[By reporter Wei Fuzheng (7614 6534 2398)]

[FBIS Translated Text] Nanjing, 14 May (XINHUA) — During a recent inspection trip to Nanjing, Jiangsu, Liu Huaqing, Standing Committee member of the CPC Central Committee Political Bureau and vice chairman of the Central Military Commission said emphatically: To develop the electronics industry, which occupies a strategic position in national defense modernization, we should resolutely implement the principle of "taking into consideration both the Army and people as well as peacetime and wartime needs, giving priority to military products, and supporting the Army with the production of civilian goods," and exhaust all avenues to develop new products to fulfill the growing needs of national defense construction and of the people.

Liu Huaqing arrived in Nanjing on 11 May in the company of Minister of Electronics Industry Hu Qili. He inspected local electronics enterprises and research institutes, heard reports by the leaders of the Ministry of Electronics Industry's Nanjing Electronics Engineering Research Center, Nanjing Electronics Technology Research Center, and Nanjing Electronics Device Research Center, as well as those of the Nanjing Wireless Factory and Nanjing Electron Tube Factory. He chatted with science and technology personnel and workers in workshops and research laboratories, and fully affirmed the achievements of Nanjing's electronic industry in recent years. He praised the vast numbers of science and technology personnel for their hard work and selfless devotion, which signify their fighting spirit, and encouraged everyone to continue their hard work, to quietly immerse themselves in hard work, and to blaze new trails into new and high technologies.

Through implementing the principle of "taking into consideration both the Army and people," Nanjing Wireless Factory has smoothly shifted to producing civilian goods while ensuring the production of military goods through adjusting its product mix, changing the original ratio of military to civilian products from 9:1 to 1:9, and expanding the number of product categories from 20 or 30 to more than 100. Liu Huaqing inspected the factory's videocassette recorder production lines with great joy, and encouraged everyone to create a popular brand of videocassette recorder that would corner the domestic market.

Liu Huaqing paid great attention to the augmentation of the science and technology ranks and the training of

relevant experts. He urged leaders at all levels to pay attention to the work and life of science and technology personnel, and to help these people overcome difficulties so that they could work in peace and make greater contributions to national defense construction and to enriching people's lives.

Wu Bangguo Attends Railway Track-Laying Ceremony

*OW2005153295 Beijing XINHUA in English
1502 GMT 20 May 95*

[FBIS Transcribed Text] Jinan, May 20 (XINHUA) — Track-laying on the northern section of the Beijing-Kowloon (Jingjiu) Railway, the longest railway line that China has ever undertaken, was completed today.

Vice-Premier Wu Bangguo attended the ceremony today for the completion of the double-track line at the 6.685-km-long Yellow River Railway Bridge.

The Jingjiu railway, planned to be 2,370 km long, will traverse nine provinces and municipalities from north to south. It is the most important railway project in the state's Eighth Five-Year Plan (1991-1995).

The northern section of the railway, construction of which started in 1992, totals 882.98 km. It comprises 808.03 km of main line from Beijing to Fuyang in Anhui Province and 74.95 km of connecting line from Tianjin to Bazhou.

The section covers six provinces and municipalities, including Beijing and Tianjin cities, and Hebei, Shandong, Henan and Anhui provinces.

The section, with a designed annual transportation capacity of 70 million tons, cost more than nine billion yuan to construct, part of which was financed through loans from the Japanese Government and the Asian Development Bank.

Construction of the section has been difficult and technically sophisticated, but the workers have overcome all obstacles and finished the job at an unprecedented rapid speed, experts remarked.

They said that the railway is of significance to the national economy as it will improve the distribution pattern of the nation's railway network and ease the bottleneck in transportation between the north and south.

The railway will also enhance economic growth and poverty alleviation in China's middle regions and help increase the stability and prosperity of Hong Kong and Macao, experts said.

State Enterprises Thrive With Streamlined Structure

OW2105123995 Beijing XINHUA in English
1157 GMT 21 May 95

[FBIS Transcribed Text] Beijing, May 21 (XINHUA) — The success of a Beijing-based corporation has shown that state-owned enterprises can yield better economic efficiency by reshuffling their structure.

The No.1 Light Industry Corporation in Beijing launched a drive to upgrade its structure by relocating its subsidiary firms and developing competitive products in 1993.

It has moved 12 subsidiaries out of the downtown areas to the suburbs of the city. Other 24 will follow suit.

"Most of them made little profit or even suffered losses. The places they left will be used to develop service industry. Commercial mansions and apartment buildings with a total floor space of more than three million square meters will be erected on the places, which will create a huge amount of profit for them," said Dong Zhian, chairman of the board of the corporation.

The corporation also managed to turn out products in accordance with the demand in the market. Now its products enjoy much larger market share than that in 1992.

A factory, which was moved to the suburbs, reached an agreement with a Swiss partner last year on setting up a joint venture to produce a kind of high-efficient fluorescent lamps. It is expected that the joint venture will produce seven million such lamps worth 500 million yuan every year with a total gross profit of 180 million yuan. It is learnt that some other enterprises are also active in seeking overseas partners.

The corporation has some 100 subsidiaries, of which one-third were in the red in 1992.

However, after the structure reshuffle, its net profit in 1993 soared by 72.6 percent from the previous year, and in 1994, it hit 196 million yuan, a rise of 146 percent.

In the meantime, the value of corporation's state-owned assets swelled by 13 percent, and the percentage of its subsidiaries in red dropped to 4.1 percent from 37 percent.

From January to April this year, its trade volume rose by 24.8 percent over the same period in 1994, with profit increasing by 113 percent.

Economists here noted that the corporation's reform is successful, showing a way to revitalize state-owned enterprises through reshuffling their structure.

Largest Light Vehicle Base Formed in Northeast

OW2005143895 Beijing XINHUA in English
1403 GMT 20 May 95

[FBIS Transcribed Text] Beijing, May 20 (XINHUA) — China's First Automobile Group, a leading car producer in the country, has turned into the largest light vehicle base by annexing seven auto enterprises in Northeast China.

After annexing four enterprises in Jilin Province and two in Heilongjiang Province, the group has become the biggest stock holder of the Jinbei Auto Co. Ltd., a key auto firm in Shenyang City of Liaoning Province.

With an overall technical upgrading of the annexed enterprises, the group now boasts a total annual production of 150,000 light vehicles, of three major brands and more than 50 varieties.

So far, there are 71 enterprises specializing in light vehicle making across the country, while the total yearly output is only 540,000, according to the CHINA MACHINERY AND ELECTRONIC DAILY.

Experts say that China's automobile sector can be modernized or become more efficient by way of amalgamation.

'Stable' Oil Production in First Quarter

OW2105023595 Beijing XINHUA in English
0211 GMT 21 May 95

[FBIS Transcribed Text] Beijing, May 21 (XINHUA) — China produced more than 48.5 million tons of crude oil in the first four months of this year, a slight increase over the same period of last year.

According to the China National Petroleum Corporation, China's onshore oil output in the first four months of this year stood at 45.8 million tons, 0.6 percent more than a year earlier.

Figures released by the China National Offshore Oil Corporation show that the country's offshore crude oil output hit 2.66 million tons during the January-April period.

The major oilfields in eastern and northern China have continued to maintain stable production, while the newly developed oilfields in the western region, such as the Turpan-Hami, Tarim and Yanchang, hiked their output, oil experts said.

Experts said the country's crude oil production for the whole year is expected to exceed 145 million tons.

Meanwhile, China produced 5.4 billion cu m of natural gas during the first four months of this year, up 1.3

percent from the corresponding period of last year. Of the total, the onshore output amounted to 5.27 billion cu m.

Yearly output of natural gas is expected to reach 16.5 billion cu m, according to experts.

Official on Growth of Paper-Making Industry

OW2005115995 Beijing XINHUA in English
0659 GMT 20 May 95

[FBIS Transcribed Text] Beijing, May 20 (XINHUA) — China's paper mills produced 20 million tons of paper and cardboard last year, ranking third in the world, according to CONSUMER NEWS.

Xu Rongkai, vice president of the China National Light Industry Council, told a national conference that the country's paper production has undertaken a great structural change and the sector has been adjusted in line with the development of the market economy.

At present, about 50 percent of the sector's products are used in industrial and commercial packaging businesses, 30 percent for the press and the remaining 20 percent for people's daily use.

He said that the country's demand for paper products will maintain a large-margin increase rate in the next few years, especially for products of high quality. And the variety of paper products should be increased in line with the rapid growth of the domestic economy.

Designated as a key sector by the council, Xu said, the industry will shift focus to further structural adjustment and technical renovation, with stress on producing high-quality paper pulp.

Company Pays \$120,000 for 'Honorary Chairman'

OW2105145295 Beijing XINHUA in English
1440 GMT 21 May 95

["What Can a Company Do With One Million Yuan?"]

[FBIS Transcribed Text] Hangzhou, May 21 (XINHUA) — A nutrition drink producing company in the coastal province of Zhejiang has gone out of its way to get one of China's top nutriologists as its honorary chairman.

One million yuan (about 120,000 U.S. dollars) — That was the price it paid.

"This sum is only an indication of our thanks for Prof. Zhu Shoumin's willingness to come to our company," said Hu Weijing, Chairman and President of the Ningbo Shennongshi Health Drink Co. Ltd.

Prof. Zhu, now in his 70s, is a respected nutriologist in China. He rose to new fame after Wahaha, a nutrition

drink developed by his research team, became extremely popular among children across China.

"To be honorary chairman of this company might be the last choice in my life," said Prof. Zhu at today's signing ceremony in Hangzhou, the provincial capital of Zhejiang.

"I have little desire for fame or gain," he said. "I responded to their repeated invitation because they showed sincere respect for knowledge and eager demand for talented people."

China's 16-year-old reform has given more room and opened new horizon for scientists, specialists and other talented people, who are often wooed by ambitious enterprises and entrepreneurs from different parts of the country.

A market of talented people, which will make easy their transfer to facilitate research and development, is being formed.

The Ningbo firm, a year-old shareholding enterprise focusing on manufacturing health-care products, soft-drinks and food, has aimed to build itself into a "first-rate company with products of first-rate famous brand."

"We paid one million yuan for inviting Prof. Zhu, not for buying his intellectual property right but for our thanks to him," Chairman Hu explained.

***Experts Surveyed on Economic Prospects for 1995**

95CE0364B Beijing ZHONGGUO WUZI BAO
in Chinese 2 Mar 95 p 2

[Article by China Association for Science and Technology Economic Assessment Center and the Ministry of Internal Trade North America Products Group: "Survey of Global Experts on China's Economic Prospects"]

[FBIS Translated Text] **Editorial note:** In the ever rising and falling goods and materials markets, people have come to realize that to seize fleeting opportunities and make correct decisions, besides understanding the changing market, one must have a firm grip on the macroeconomic workings of the national economy.

At the beginning of the year, the fairly influential China Association for Science and technology [CAST] Economic Assessment Center and the Ministry of Interior Trade North America Products Group invited renowned experts and scholars from China's macroeconomic departments, research units, colleges, and universities, as well as foreign scholars of Chinese economics, to participate in the "Survey of Global Experts on China's Economic Prospects for 1995." ZHONGGUO WUZI BAO

is publishing the main contents and the results of this survey to share with the readers.

In this survey, most experts agree that in 1995, China's economic growth can be sustained at around 10 percent; the inflation rate will be somewhat lower, investment impulse will linger, sales of capital goods will increase but still be stable, and the renminbi exchange rate will be steady or may appreciate slowly. [end editorial note]

I. The Rate of Economic Growth

More than 88 percent of the experts believe that China's economic growth will slow but can still be sustained at around 10 percent in 1995. Their main basis is the existence of positive factors along with constraining factors in the economy.

The positive factors are: 1) The successful introduction of various reform policies, the results of which will become even more evident, creating the proper systemic conditions for economic growth. 2) Fixed asset investments by state-owned units over the last three years totaled 2.5 trillion yuan; some key construction projects are being completed and put into operation, creating a huge productive capacity. The supply of energy and raw materials is fairly abundant. 3) The localities still have a very strong desire to attain a high rate of growth; the nonstate-owned economy is outside of the government's control and continues to maintain a high growth rate. These three factors will play the main role in supporting the nation's rapid growth in 1995. 4) The huge personal consumption potential will be fanned by some unusual factors (such as GATT accession,) and today's savings will be a source of growth. 5) The state will go all out to promote reform in state-owned enterprises and establish a social security mechanism, which may put pressure on the Financial Ministry, and too-low a growth rate will not work. In addition, institutional purchasing power and exports are still vigorously spurring on production increases.

The constraining factors: 1) Macroeconomic regulation and control policies will try to curb rapid growth. The inflation rate in 1994 exceeded 20 percent, and the central authorities have made it clear that curbing inflation will be today's top priority. Fairly tight financial and monetary policies will be pursued in 1995, and so we can expect funding to put a brake on economic growth. 2) The relatively tight supply of key agricultural products will affect economic growth. 3) The importing of foreign capital and net export volume are expected to drop below 1994's level. In addition, market demand will put increasing constraint on economic growth.

Some foreign experts believe that the 1995 GDP will increase around 8 percent. This is due mainly to the

fact that China's economy will make a "soft landing" in 1995, and the basic framework of efficient financial and monetary policies will be established.

II. Inflation and Its Trend

In 1994, the nation's consumer prices rose 24.2 percent over the previous year, more than doubled the macroeconomic regulation and control goal set at the beginning of the year. Eighty percent of the experts believe that such inflation rate was too high while 20 percent think it was on the high side. Ninety-one percent of them believe that the inflation rate will be lower in 1995.

The experts generally agree that some of the factors contributing to a high inflation rate in 1994 will diminish or disappear in 1995, and price increases will slow, but it will also be more difficult to keep prices under control; there is no room for optimism. Many foreign experts and scholars believe that the inflation rate may hover between 15 and 18 percent, and for the year, inflation may be higher in the first half and drop toward the second half of the year.

Some experts believe that tight fiscal and monetary policies should be implemented in 1995, and the scope of fixed asset investments should be controlled; new projects, in particular, should be limited; generally there should be no further price adjustments; and then price increases will slow down. But i) the excess price increase in 1994 will have significant delayed effect on 1995 prices; ii) the tight supply of grain, oil, sugar, meat, and vegetables will remain a factor, and due to the rapid increase in the prices of agricultural capital goods, food prices will continue to climb; and iii) currently, China's industrial enterprises have limited ability to absorb higher costs, and the pressure created by the excess currency issuance in previous years, price adjustments, and high costs will continue to vent themselves in 1995.

Some experts believe that besides the delayed effects of 1994 price increases, there is still substantial inflationary pressure from other sources in 1995: i) Lagging agricultural development will improve only after long periods of hard work, and efforts to increase the importation of agricultural products are constrained by international market supply, prices, and China's own ability to pay. ii) There are still loud clamors for more upward price adjustments. For example, some localities are trying to deal with enterprise operating losses and their lack of construction funds and other problems by raising prices, and meanwhile, the central government lacks effective means to regulate and control product prices and cannot control profit-driven attempts to shift burdens to consumers.

Some experts believe that although today's inflation is caused by excess currency input, it is also tied to the restructuring of the monetary, foreign exchange, and tax systems; to the problems with circulation management and the production and stockpiling of goods that do not sell, as well as to peasant demands for payment commensurate with the value of their labor; and it will take time to deal with those problems before the inflation rate will come down. In addition, the renminbi is likely to appreciate in 1995, which in turn will slow the increase in exports, and that will also become a factor.

III. The Scope of Fixed Asset Investments

The scope of fixed asset investments was beginning to be brought under control in 1994, with an actual increase of around 28.5 percent for the entire year, but some experts believe that the scope is still too big, especially with regard to projects under construction. Currently, because enterprise and local government investment expansion mechanisms have not been dismantled, there is lingering investment demand pressure, and as soon as macroeconomic regulation and control is eased, investment demands will rebound.

Most experts believe that the overall scope of fixed asset investments is too big, which makes it more difficult to control. First, nobody takes responsibility for state-owned unit investments, which not only abets reckless investment expansion, but also leads to a poor investment mix and unprofitable investments. Second, macroeconomic policies cannot control nonstate-owned unit investments; their investments continue to grow and, in particular, foreign exchange fund gathering and foreign investors are playing a role in this expansion.

Experts believe that due to the delayed effects of 1994 macroeconomic regulation and control policies, the magnitude of investment increase in 1995 will be under control, and the year's nominal fixed asset investments may be around 1.8-1.9 trillion yuan, 15-22 percent more than in the previous year, which means a slightly slower rate of increase, but it is believed that the magnitude will be negligible. Some scholars believe that too low a rate of increase in fixed asset investments will make it difficult to sustain the 10 percent increase in the GDP.

Some experts believe that 1995 nominal fixed asset investments may be around 1.7 trillion yuan, basically keeping them within the planned range. This is primarily because the influx of foreign capital has slowed in 1994, and we have successfully achieved "soft-landing." And there is also the matter of economic cycles.

IV. Consumer Goods: Is the Market Strong or Weak?

Seventy percent of the experts believe that market sales were more or less in line with economic growth in 1994, and except for some agricultural products and a handful of industrial goods which experienced a relatively tight supply, supply and demand were either balanced or supply was slightly ahead, and the main problem in the consumer goods market was not with quantity but mix.

Sixty percent of the experts believe that consumer-goods markets will remain active and grow in 1995; a serious market slump is not expected, nor will there be "panic buying" or "overheating." Sales of capital goods will increase but will remain stable.

But 24 percent of the experts believe that the consumer market will be brisk because: i) A part of the anticipated consumption demand as a result of the price decrease after our accession to GATT will be realized in 1995; ii) further acceleration in the increase of the urban income, the popular expectation of higher prices, and the upgrading of the consumption mix will turn a substantial portion of income into actual consumption; iii) as peasant income rises, rural market demands will further increase; and iv) export momentum will pick up.

There are other experts who believe that China's consumer goods market may slump in 1995. This is mainly because as the state's macroeconomic regulation and control strength grows, there will be a relative decline in income, and consumption will naturally be reduced as a result. Furthermore, the state's emphasis on the importance of state-owned enterprises will necessarily have some negative effect on nonstate-owned enterprises; both investment and consumption will decline. In addition, judging by the economic facts of 1994, if China's economy is to achieve steady growth of 8-9 percent in 1995, fixed asset investments and exports must continue to be the main driving force.

V. International Trade and the Renminbi Exchange Rate

All experts agree that China's 1994 balance of international payments situation was good or very good, and 70 percent of the experts believe that our balance of payments will be even better in 1995. Ninety percent of the experts believe that the renminbi exchange rate will remain unchanged or will gradually appreciate in value.

Some experts believe that China's fine balance of payment situation was reflected mainly in the following: i) A significant increase in exports, which was estimated at 30 percent, 22 percentage points higher than 1993; ii) the successful merging of the exchange rate tracks and,

despite the 21 percent increase in domestic prices, the renminbi to U.S. dollar exchange rate remained stable with a slight rise; iii) a significant increase in the state foreign exchange balance and an increase in the actual amount of foreign business direct investment, which is estimated to be worth \$35 billion, a 35 percent increase. The rise in the cost of obtaining foreign exchange in 1995 means the merging of the exchange tracks will be less able to stimulate exports, so that the increase in exports will be slower than in 1994. Meanwhile, there will be more imports, the foreign exchange reserve will decline, and the increase in direct foreign investments will also be slower than in 1994.

Finance & Banking

NPC Said To Consider Draft Trust Law in '96

OW1905035795 Beijing XINHUA in English
0313 GMT 19 May 95

(FBIS Transcribed Text) BEIJING, May 19 (Xinhua) — China will submit a draft of the Trust Law to the Standing Committee of the National People's Congress (NPC), the country's top legislature, for consideration in the first half of 1996, according to today's "SHANGHAI SECURITIES NEWS".

The NPC's Financial and Economic Committee began to draft the law in July, 1993, Zhang Xuwu, the committee's vice-chairman, was quoted as saying at a seminar on trust law held in Tianjin, a port city in north China.

The second draft of the law has been drawn up, and opinions of those dealing in trust funds, financiers, lawyers, and government officials will be solicited for a further draft.

According to Jiang Ping, head of the drafting group under the committee, the Trust Law is intended to establish a modern trust system and to standardize the existing system in China, where trust corporation usually refers simply to a form of investment organization.

Following a several-decade-long absence in China, the trust business re-appeared in the late 1970s when China began its reforms and opening-up. It now has some 400 investment and trust firms, some of whose methods are not in line with standard international investment practices.

Beijing Exchange Acts on Trading Irregularities

HK2005050995 Hong Kong AFP in English
0435 GMT 20 May 95

(FBIS Transcribed Text) Shanghai, May 20 (AFP)—Beijing Commodities Exchange has suspended open

bidding in green bean futures contracts to curb excessive speculation, a newspaper reported Saturday.

The Shanghai Securities News reported that open bidding on green bean futures contracts 1135407 and 113509 affected by speculative activities would be halted next Monday and Tuesday.

Members whose holdings of the two contracts exceeded 20,000 units should unwind their positions during those two days, failing which the exchange would offsell by force as well as fine traders, the report said.

The suspension deals another blow to China's fledgling financial industry which has been rocked by the suspension of a nation-wide experiment in treasury bond futures trading last Thursday.

The China Securities Regulatory Commission (CSRC) issued an emergency notice Wednesday ordering the suspension saying China was not yet ready for treasury bond futures trading after finding several cases of rules violations.

A leading stockbroker attempted to rig prices in February causing a week-long closure of the Shanghai bond market while major investors exceeded permitted holdings level triggering a one-day closure May 12.

Meanwhile, several exchanges have moved to put in procedures to guard against financial risks, the report said.

The Shanghai Metal Futures Exchange, the Shanghai Oil and Cereal Exchange and Commodities Exchange had already strengthened management of risk control in accordance with a CSRC notice, the report said.

The securities industry watchdog in a circular Thursday, warned futures exchanges across the country to guard against possible speculation risks following the suspension of bond futures trading.

"A large amount of capital will possibly flow into other markets for speculative purposes," the CSRC circular said, adding that futures exchanges should prevent or severely punish irregularities in trading to "avoid nasty events."

The CSRC urged futures exchanges to raise security deposits, adjust the upper and lower price limits on contracts, and lower the ceiling on trading positions.

Exchanges were also urged to strengthen supervision and management over member firms with huge holdings, the declaration system, daily settlement system and cash deposit system.

The CSRC asked exchanges to bar transactions in overdrawn accounts, ban the building of positions in

other member firms' names and forbid taking positions with other member firms for speculative purposes.

Violations must be handled speedily and violators should be reported to the CSRC immediately and be disqualified from trading, according to the circular.

The storm in the futures market has, however, not affected plans to expand a commodities exchange in Suzhou in nearby Jiangsu province.

The Suzhou Commodities Exchange, which currently lists metal, building materials and fibre, will launch red bean futures trading June 1, as approved by the CSRC, the report said.

Futures Exchanges Urged To Tighten Risk Management

HK2105021595 Beijing CHINA DAILY in English
19 May 95 p 7

[By Liu Weiling: "Circular Warns on Speculative Funds Influx"]

[FBIS Transcribed Text] China's top securities regulator yesterday urged futures exchanges to tighten risk management in view of a possible overflow of speculative capital to commodities futures trading with the suspension of treasury bonds trading.

The China Securities Regulatory Commission (CSRC) issued a circular requiring the exchanges to improve margins, readjust their maximum price increase and falling ceiling, reduce the maximum position holding quota and prohibit members from opening new positions.

Under the CSRC demands exchanges should also prohibit overdraft transactions and deliberate market manipulation activities.

"Exchanges must keep a sharp eye on market operation and take timely actions on abnormal activities," said the circular.

Meanwhile, the Beijing Commodity Exchange (BCE), one of China's major treasury bonds futures trading centres, will further tighten risk management on commodities futures trading to ensure a stable market operation.

In fact, the pause in bonds trading will not deal a heavy blow to the exchange as transaction value of treasury bonds futures accounted for only 12 per cent of the exchange's total, according to Chen Gongyan, vice-president of the exchange.

"We will firmly carry out the central government's policy to stop treasury bonds trading," Chen said. "Actually our exchange has given the highest priority to the risk management since its establishment in 1993."

"We had done our best in risk management and no disruption had occurred in our exchange," he said. "Trading in our exchange had been in order even in late February when violation activities in the market forced the Shanghai Stock Exchange to suspend treasury bonds futures trading for a week," he said.

Last Friday, the Shanghai Stock Exchange had to stop futures trading of treasury bonds again after a trading company attempted to manipulate the prices.

Commentator on Protecting Commercial Bank Rights

HK2205031195 Beijing RENMIN RIBAO in Chinese
12 May 95 p 2

[Commentator's article: "Protect Rights and Interests of Commercial Banks in Accordance With the Law"]

[FBIS Translated Text] The "PRC Commercial Bank Law," another major financial law, has been deliberated and adopted by the 13th Session of the Eighth National People's Congress [NPC] Standing Committee. Its promulgation and implementation will be of great significance to protecting the legitimate rights and interests of the commercial banks, depositors, and other clients in accordance with the law and to promoting the smooth progress of commercial banking reform and economic structural reform.

Protecting the legitimate rights and interests of commercial banks is an important element of China's "Commercial Bank Law," which enables a commercial bank to become a corporate enterprise engaged in monetary capital business and carry out independent operation; undertake its own risks; assume sole responsibility for its profits and losses; and exercise self-restraint based on the principle of efficiency, safety, and circulatory operations. Under the traditional planned economic system, monetary capital was not regarded as a commodity; the banks could not carry out independent operation, and the policy-related loans and mandatory loans replaced the banks' independent decisions; resulting in enterprises eating from the "big pot" of bank funds; the financial authorities using the money of the banks; banks not undertaking any economic responsibility for the use of credit funds; an increase in the enterprises' demand for loans; and a drop in the quality of the banks' credit assets. To resolve this problem, it is necessary to earnestly effect a change in the banking operational mechanism so that the banks can independently manage the credit funds in light of the rules of a market economy; undertake the risks of credit funds; optimize capital distribution, and increase the use efficiency of credit funds. This is also an important condition for breaking the practice of enterprises eating from the "big pot" of bank funds;

pushing enterprises to the market, and promoting 'the change in enterprises' operational mechanism.

Protecting the interests of depositors is one of the basic purposes of the legislation and banking supervision of the commercial bank laws of all countries. A commercial bank is a special enterprise engaged in monetary business, which carries out banking business by absorbing public deposits. Shouldering a great responsibility to society and the public, it is a risky trade with high liabilities. The outcome of its operation will have a great impact on national economic development and social stability. Besides laying down the principle of protecting the interests of depositors in the preamble, the "Commercial Bank Law" also made special provisions in Chapter 3 on protecting depositors. By setting the conditions for the establishment of a commercial bank, management over the ratio of its assets and liabilities, control taken over by the People's Bank of China, and other provisions, the law ensures the steady operation of banking and protects the interests of depositors.

Management over risks and the ratio of assets and liabilities, which constitute the core of China's "Commercial Bank Law," is aimed at legislatively ensuring safety and the steady operation of commercial banks. For a long time, China's commercial banks, the large state-owned state banks in particular, have focused their development on increasing the scope of credit and have failed to pay due attention to managing credit funds and the use of their funds, resulting in blindness and uncertainty surrounding the loans that were granted. Moreover, policy-related factors have also led to overspending of loans, slow turnover, poor efficiency, a high rate of sedimented funds, and risk. Viewed from the angle of banking supervision, the exercise of management over risk and the ratio of assets and liabilities will be conducive to ensuring safety and improving the quality of the assets of commercial banks.

The promulgation and implementation of the "PRC Commercial Bank Law" will gradually institutionalize and standardize China's banking supervision and the development of commercial banks and will also be conducive to the smooth implementation of the "PRC Law for the People's Bank of China." Studying, publicizing, and implementing the "Commercial Bank Law" will be a major event for the financial field as well as society as a whole.

International Insurance Industry Seminar Held

*OW1805172095 Beijing XINHUA in English
1605 GMT 18 May 95*

[FBIS Transcribed Text] Shanghai, May 18 (XINHUA) — China's insurance market holds great potential de-

spite the current low per capita insurance input, according to a leading international insurance broker.

Addressing a seminar on the international insurance industry here today, Theron Hoffman, senior vice-president of the U.S.-based General Reinsurance Corporation, also said that life insurance premiums averaged the equivalent of only one U.S. dollar per Chinese citizen in 1992, compared with 857 U.S. dollars for an American and 1,903 U.S. dollars for a Japanese.

The world per capita average life insurance premium in that year was 140 U.S. dollars, Hoffman said.

The per capita premium for insurance of property and accident was three U.S. dollars in China in the same year, while it registered some 1,200 dollars in the United States and Switzerland.

"This is because the Chinese government has been shouldering too heavy a burden for its people," said Hoffman, adding that it indicates the big potential the country's insurance industry has.

"I am very confident about the prospects for China's insurance industry," he told the seminar, which gathered about 70 insurance experts from China and the United States for exchange of views and discussions about cooperation possibilities.

Sales of Certificate Bonds Exceed \$11 Billion

*OW1905075095 Beijing XINHUA in English
0710 GMT 19 May 95*

[FBIS Transcribed Text] Beijing, May 19 (XINHUA) — Some 95 billion yuan (11.3 billion U.S. dollars) worth of three-year certificate bonds had been sold out nationwide by May 15, according to latest statistics by the People's Bank of China, the Central Bank.

The figure is 84 percent more than that for the same time last year.

China has decided to issue a total of 152 billion yuan (18.1 billion U.S. dollars) of treasury bonds this year to help cover budget deficit, estimated at 66.8 billion yuan (7.9 billion U.S. dollars), and service foreign debts.

The amount breaks down into 132 billion yuan in the three-year certificate bonds and 20 billion yuan in the three-year unregistered bonds.

Both of the two bonds were first put on sale on March 1.

The nontradable certificate bonds carry an inflation-adjusted 14 percent annual interest rate from the date of purchase if they remain uncovered during the full

term. The interest rate is 1.76 percentage points higher than comparable bank deposits.

Buyers of the bonds can cash in their certificates after the issue ends on July 31.

The tradable unregistered bonds, underwritten by securities institutions and not inflation-adjusted, carry a coupon rate of 14.5 percent, 2.26 percentage points higher than bank deposits.

Bond issue has become critical for the Chinese government as under China's new Central Bank Law, passed in March by the National People's Congress, the People's Bank of China can no longer allow overdrafts to cover government expenditures.

Last year China floated 102.8 billion yuan (12.9 billion U.S. dollars) worth of treasury bonds. The total value of bonds issued since 1981, when China resumed the practice after decades of suspension, amounted to more than 310 billion yuan (36.9 billion U.S. dollars) by 1994.

Foreign Trade & Investment

Violators of U.S. Movie Copyrights Punished

OW1905110395 Beijing XINHUA in English
1029 GMT 19 May 95

[FBIS Transcribed Text] Beijing, May 19 (XINHUA) — The State Copyright Administration announced here today that it has decided to punish two publishing houses that have violated the copyright of U.S. film "The Fugitive."

The two violators are the Nanjing Audio and Video Publishing House and the Guangdong Audio and Video Publishing House, according to a spokesman of the administration.

"The Fugitive," a Warner Bros. Pictures product which won seven Oscar nominations last year, was the first top-rate foreign film that was allowed to be introduced into China in accordance with a new policy.

The policy promised that every year China import 10 best overseas movies. "The Fugitive" recorded booming box-office takings when it was shown in Chinese cinemas at the end of last year.

The Nanjing Audio and Video Publishing House is also responsible for pirating U.S. films "In the Line of Fire," "Striking Distance," and "Hard Target." Another violator, the Liaoning Radio and Television & Audio and Video Publishing House will be punished for pirating U.S. movie "Home Alone," the spokesman added.

He said that these publishing houses got copyright authorizations from certain Hong Kong companies, however, the authorizations were all invalid.

"According to China's copyright law and relevant regulations, these publishing houses must stop selling the pirated products and hand them over to the authority. And they will be fined," he said.

The China Film Import and Export Corporation and the Warner Bros. Pictures have brought "The Fugitive" case to the court, sources at the film corporation said.

The Copyright Administration has asked Chinese publishing houses to find out the real copyright owners when they publish overseas audio and video products. And they must have the copyright contracts and identification certificates registered at the State Copyright Administration.

"No publishing houses are allowed to publish products that do not obtain copyright authorizations; if they have already been published, the products must be confiscated and destroyed," the spokesman said.

China has set up a nationwide film copyright protection network this year. In addition, a film copyright protection foundation is expected to be established.

Jiang Zemin on Better Use of Foreign Investment

OW2005030895 Beijing XINHUA in English
0249 GMT 20 May 95

[FBIS Transcribed Text] Beijing, May 20 (XINHUA) — A book entitled "Basic Knowledge on China's Use of Foreign Investment" has been published for cadres nationwide with a preface written by Chinese President Jiang Zemin and with Chinese Vice-Premier Li Lanqing as its Chief Editor.

The book, jointly published by the Central Party School Press and China Foreign Economic Relations and Trade Publishing House, is aimed at helping Chinese cadres at all levels upgrade their knowledge in the modernization drive and improve their leading capability.

Jiang Zemin, also General Secretary of the Chinese Communist Party (CPC) Central Committee, said in the preface, "To create a new situation in China's use of foreign investment is an important item and an urgent demand in deepening our reform and opening-up, promoting the socialist market economy and achieving the second phase strategic goals."

It is very important, he went on, to sum up experience in the use of foreign funds over the past 10 years or so.

"It is against this background that I have advocated to edit and publish this book," Jiang added.

This is the third book Jiang has advocated to edit and publish, the other two being: "What Is the Socialist Market Economy" and "Basic Knowledge on Modern Science and Technology."

The book is a concentrated expression of the ideas and practice for the use of foreign funds in China.

The deputy chief editors of the book are Zeng Peiyan, Deputy Secretary-general of the group under the CPC Central Committee in charge of Finance and Economics, He Chunlin, Deputy Secretary-general of the State Council, and Wu Yi, Minister of Foreign Trade and Economic Cooperation.

The book has collected opinions from various circles and been revised several times. It has also been used as a textbook in relevant colleges and universities.

It is learned that the General Office of the CPC Central Committee will issue a notice to ask provincial and municipal cadres, especially those high-ranking officials, to study the book.

Center, Northwest To Increase Foreign Investment

HK2205011495 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 21-27 May 95 p 1

[By Sun Hong and Wang Yong: "Focus Turns to West China"]

[FBIS Transcribed Text] Foreign Trade Minister Wu Yi said the government will make vigorous efforts to boost foreign investments in the vast central and northwest regions in the coming years.

She said the State will increase support for the regions to attract more foreign investment in agriculture, energy, transportation and raw materials projects.

She even implied the domestic market would be opened wider in these regions, although she did not elaborate.

The hinterland regions, comprising 18 provinces and autonomous regions, are home to most of China's natural resources. But failure to include them in the opening drive of the late 1970s has created an economic gap between them and the booming East.

Scaring off potential foreign investors is the region's lacklustre infrastructure and their vulnerability to the central government's tight monetary policy.

The 18 provinces and autonomous regions are reported to have borne the brunt of the tight monetary policy, unable to pool enough domestic funds for setting up joint ventures with foreign investors.

By contrast, the eastern regions are better positioned to respond to central monetary control because they have closer links with overseas financial resources.

Should infrastructure and financial conditions improve, the western underdog may yet take off.

Wu's remarks have raised hopes in that direction.

"The region represents the country's economic reserve strength with huge potential in such aspects as agriculture and energy," Ma Yu of the Research Institute for International Economic Co-operation (Moftec) [as published] said.

The coastal areas, after years of fast growth, are generally facing rising costs of raw materials and labour, as well as a severe energy shortage.

Moreover, a widened east-west gap has produced political and economic problems, Ma said.

Ma called for strong government support to develop the western and central regions in a bid to achieve "relatively balanced development and unified treatment of investors" in the long term.

By the end of last year, overseas investment projects in the region had accounted for only 16.27 per cent of the country's total. Actual foreign investment in the region stood at 8.79 per cent of the nation's total.

Ma attributed the situation largely to the region's weaker investment environment and the lack of favourable government policies.

"But the future is bright given the government's (current) support," he said.

"The regions are likely to witness significant growth in agriculture, energy, labour- and capital-intensive sectors due to the abundant natural resources, vast arable land and huge market potential," he said.

The coastal areas, meanwhile, are expected to grow into China's centre of high-tech industry, export-oriented products, finance and services.

Sources with Moftec said guidelines on overseas investment are expected to be published soon with detailed favourable policies to encourage foreign capital in certain sectors.

Experts have suggested the State introduce favourable tax rates, priority in credit granting, more access to food-processing, mining, minerals-processing and electricity projects for overseas investors in the western and middle region. They have also suggested enlarging the authority of local government in the region to approve overseas invested projects.

Paper Cites Analysts' Comments on WTO Entry Talks

HK2205011295 *Beijing CHINA DAILY (BUSINESS WEEKLY) in English* 21-27 May 95 p 1

[By Wang Yong: "WTO Entry Requires More Time"]

[FBIS Transcribed Text] As informal talks in Geneva on China's access to the World Trade Organization (WTO) draw to an end, analysts in Beijing remain cautious about the outcome.

China and major WTO parties, including the United States, Japan and the European Union, launched the two-week talks on May 8 at the invitation of Pierre Girard, chairman of the China Working Party.

In what's been seen by some as seesaw bargaining, neither side seemed willing to take the initiative to make concessions.

"But in the end, I believe, China will yield somewhat and the United States will yield somewhat to bring China into the WTO," said Karen Elliott House, international president of Dow Jones and Co of the United States.

She predicted China may be admitted into the trade body this year or early next year. "Whatever the time, China will become a WTO member in the end."

The problem is how long the United States will allow China to take to fully open its domestic market for foreign goods and services.

"I don't believe the U.S. would like to give China so long a period of transition as China wants to have (as a developing country)," House said.

U.S. envoy to the talks Booth Gardner said there would be some flexibility on China's status in the WTO and a compromise on the issue might be found.

The U.S. and other major WTO parties fear that developing country status would permit China to delay the implementation of free trade rules.

Chinese officials have said that China must enter the WTO as a developing country and the negotiations on its accession terms must be based on the results of the Uruguay round of Gatt talks.

Chinese chief negotiator Long Yongtu said last week he believes a final solution to the question of China's status in the WTO will be found within the framework of the WTO principles.

But he urged major WTO parties to demonstrate further flexibility in future talks, which could be difficult.

Observers note that in the final analysis, the intention of major WTO parties is to pry open China's huge market as soon as possible.

But it's wise to "give China time and space to initiate changes and to accept its international responsibilities," Singaporean Prime Minister Goh Chok Tong said in Beijing last week.

China, he said, should be given a pause to deal with domestic issues such as the urban-rural gap, inflation, the transition from a centrally planned to a market economy and ballooning unemployment facing workers in its State-owned enterprises.

While the U.S. and certain major WTO parties claim a huge trade deficit with China, Goh noted China has run a trade deficit with the rest of the world. In response to Western complaints about China's limited investment regime, Goh said foreign firms have accounted for 37 per cent of China's total trade.

He pointed out that China is more open than Japan, South Korea and Taiwan were at a similar stage of development.

"Even its equity markets, though still in their infancy, are more open to foreign ownership. By comparison, Japan, South Korea and Taiwan did not begin to open their equity markets until quite recently, and only as a result of lengthy bilateral negotiations with the U.S. Government," Goh said.

Customs Issues Circular To Boost IPR Protection

HK1905150995 *Beijing ZHONGGUO XINWEN SHE in English* 1311 GMT 19 May 95

[FBIS Transcribed Text] Beijing, May 19 (CNS) — The General Administration of Customs issued a circular according to a special order from the State Council, to further boost protection for intellectual property rights.

The circular reiterated that goods found in violation of China's laws and regulations on intellectual property rights would be banned from China's imports and exports.

The stipulations stated that imports and exports which were confirmed to have infringed China's law and administrative rules and regulations protecting copyrights and trademark would be seized by Customs. The seized goods included compact discs, laser discs and items which breached trademarks.

The seized items either in breach of copyrights or trademark law should be destroyed as the regulations stated. However, for some items where their labels are removable and had been seized for violation of the

trademark law, they can be used for charitable purposes. They can also be sent to be used by government organs, or be auctioned to persons not related to the infringement practice. Proceeds from the auction of these items will go to the state coffer.

Measures Curb Illegal Use of Foreign Funds

HK2205011895 Beijing ZHONGGUO XINWEN SHE in English 0444 GMT 20 May 95

[FBIS Transcribed Text] Beijing, May 20 (CNS) — China's State Planning Commission has recently launched four new stipulations to curb institutions from extending the scale of construction development without approval and violating certain procedures in introducing foreign capital.

First, planned coordination and management will be applied to the lease of foreign capital. Besides loans provided by international financial institutions and bilateral government loans, other forms of fund-raising in compensation trade, including convertible shares, bonds and the utilization of overseas funds, should all be included in the state foreign capital utilization scheme and should be under a unified administration.

Second, commercial loans will be administered in line with state plan. All regions and departments should follow state industrial policy and industrial stipulation, and properly utilize the annual loan target set by the state.

Thirdly, there will be a speed-up in the inspection and approval of foreign investment projects.

Lastly, fund-raising activities will be standardized and government departments cannot act as a guarantor or a covert guarantor in fund-raising.

CAAC To Sustain Development With Foreign Funds

HK2205010095 Beijing CHINA DAILY in English 20 May 95 p 1

[By Sun Shangwu: "Foreign Funds Fuel Aviation"]

[FBIS Transcribed Text] The Civil Aviation Administration of China (CAAC) plans to seek more foreign funding to sustain development of its booming aviation sector.

The foreign investment will mainly come from commercial investors and government loans, said Yang Yinbao with the CAAC's Planning Department yesterday in Beijing.

"The foreign investment will be guided to infrastructure development, such as the building of airports, air traffic

control, fuel-supply and personnel training facilities," he said.

CAAC will send a delegation to the United States in August, seeking foreign investment for some airport construction projects, said Yang.

However, he declined to name these airports.

This step follows a letter of intent signed last year between CAAC and the U.S. Commerce Department, which showed America's willingness to participate in the construction and financing of airports in China.

In the letter, six Chinese airports were selected as candidates for American investors: five new airports in Guangzhou, Shanghai Pudong new area, Hangzhou, Fuzhou, and Nanjing, and the expansion of Harbin airport.

Yang said some overseas investors are now eager to participate in China's civil aviation industries.

For example, a Hong Kong company has negotiated to invest in the construction of the new airport in Xuzhou of Jiangsu Province.

Yang noted that foreign government loans will also play a large role—especially the fourth installment of Japanese Government loans.

This loan, totalling more than 47 billion Japanese yen, will be used for four projects.

One is the expansion project of the terminal area in Beijing's Capital Airport, including the construction of the 240,000-square-metre terminal building.

Other Japanese Government loans are now being used to renovate the air traffic control system and to rebuild weather forecasting facilities.

The Kuwaiti Government recently provided an \$18-million loan for Xiamen airport and a \$22-million loan for Zhengzhou airport.

The French Government has lent funds for the Sanya Phoenix Airport.

Report on Import, Export of Automobiles

OW1905112195 Beijing XINHUA in English 1103 GMT 19 May 95

[Report: "China Sees Better Balance of Import, Export of Automobiles"]

[FBIS Transcribed Text] Beijing, May 19 (XINHUA) — China has realized a total import volume of 351.07 million U.S. dollars in the first quarter of this year, a decrease of 60.36 percent from the same period of last year.

For the export sector, the general export volume hit 139.02 million U.S. dollars, up by 91.56 percent over the same period last year.

In the first three months, China imported 17,742 vehicles of various types, a major part of which were vehicle parts. The figure saw a 56.46 percent drop as compared with the same period of last year.

From January to March, China imported 65,068 engines, up by 34.9 percent.

The number of imported motorcycles decreased by 73.66 percent, to reach 17,999.

The country exported 3,437 autos, increasing by 20.72 percent. Moreover, the numbers of exported engines and motorcycles were 42,196 and 19,076 respectively.

Japanese vehicles occupy half of the imports into China. France and Germany are other two suppliers for China's imported autos, next to Japan.

Coal Ministry Expects Exports of 25 Million Tons

OW1905092295 *Beijing XINHUA in English*
0901 GMT 19 May 95

[FBIS Transcribed Text] Beijing, May 19 (XINHUA) — China is expected to export 25 million tons of coal this year, an official from the Ministry of Coal Industry said.

The export volume will reach more than 30 million tons by the year 2000, he added.

The coal export last year totalled 20.2 million tons, of which 4.05 million tons to the Republic of Korea, making up 20 percent of the total. Japan also imports a great quantity.

China produced nearly 1.23 billion tons of coal last year, ranking the first in the world.

Heilongjiang Proposes Foreign Investor Projects

OW1905131695 *Beijing XINHUA in English*
0918 GMT 19 May 95

[FBIS Transcribed Text] Harbin, May 19 (XINHUA) — Northeast China's Heilongjiang Province has proposed 300 projects for overseas investors, according to the provincial government.

Cong Dacai, director of the Provincial Foreign Investment Office, said that the projects will involve 800 million U.S. dollars in total overseas investment.

He said that the projects will cover a whole range of industries, including energy, transportation, machinery, chemicals, coal mining, power, metallurgy, textiles, paper making, foodstuff processing and timber processing.

"We have chosen 23 projects as priority ones for cooperation with multi-national companies," he said.

These include coal mining in Qitaihe, production of computer floppy disks in Daqing, China's largest oil-field, upgrading of a paper mill in Mudanjiang and production of steel in Acheng.

Contracts for seven projects have been signed by local companies and companies from the rest of the world.

Cong said that foreign investors will enjoy such preferential treatment as tax exemptions and breaks, and priority in electricity and water supplies.

To date, Heilongjiang, a major producer of gold, crude oil, coal and graphite in China, has brought in 2.8 billion dollars in foreign investment.

Foreign Investment in Hubei Increases

OW2205063695 *Beijing XINHUA in English*
0617 GMT 22 May 95

[FBIS Transcribed Text] Wuhan May 22 (XINHUA) — Hubei Province in central China has seen a marked improvement in the scale of its investment from overseas in the past 16 months, provincial foreign trade officials claimed.

Though the number of newly approved overseas-funded enterprises shrank by 900 to 1,645 and the pledged investment dropped by 30 percent to 1.68 billion U.S. dollars, the overseas investment in place rose by 17 percent to 793 million U.S. dollars, and the sales income of the overseas-funded businesses in operation recorded a remarkable 60-percent increase to reach some eight billion US dollars.

During this period, the investment in per project averaged 980,000 U.S. dollars, as compared with 880,000 U.S. dollars in 1993.

Another point to notice is the continued rationalization of the investment structure, with foreign investment in the city's infrastructure valued at 650 million yuan over the past 16 months.

In addition, a growing amount of overseas funds has been used for launching production projects and for the technical transformation of old enterprises.

The number of overseas-funded high-tech enterprises has also continued to increase. Major projects include a fax machine manufacturing project funded by the Xerox Corporation and a nuclear emulation project invested in by the Westinghouse Electric Corporation, both of the U.S.

World Bank Loans for Liaoning Industry Reform

OW2105032995 Beijing XINHUA in English
0230 GMT 21 May 95

[FBIS Transcribed Text] Shenyang, May 21 (XINHUA) — This heavy industrial city in northeast China's Liaoning Province has won the state approval for the use of World Bank (WB) loans for the reform of its industry.

It is the first pilot WB loan project in China to combine industrial reform with reorganization and renovation.

A total of 121 million U.S. dollars of the 175 million U.S. dollar-loans will go to the Shenyang Machine Tools Co., Ltd in a bid to promote the large-scale reform, reorganization and renovation of local machine tool industry.

In addition, the rest of the loans will be spent on training government economic management personnel, aiding local industries and privately-run enterprises and protecting the environment.

Examination of the project started in 1991. Its design which passed examination last week marked that the project has entered the stage of operation, according to officials.

At present, the machine tool company is introducing a modernized management system from Britain to set up a modern enterprise system. The company has planned to report a sales income of 3.13 billion U.S. dollars by 2001, ranking among the top 20 machine tool producers in the world.

Joint Venture With Singapore Opens in Shanghai

OW2105153895 Beijing XINHUA in English
1526 GMT 21 May 95

[FBIS Transcribed Text] Shanghai, May 21 (XINHUA) — Ocean Towers, a high-rising joint venture between land developers from Shanghai and Singapore, was inaugurated here today.

Visiting Singaporean Prime Minister Goh Chok Tong and Shanghai Mayor Xu Kuangdi attended the inauguration ceremony.

Informed sources here said this project was Singaporean investors' first move in participating in Shanghai's urban development in the form of land lease.

Sing Developments (China) Pte, Ltd has shown great interest in rebuilding residential blocks in Shanghai and planned to invest around 100 million U.S. dollars in constructing the 117.4 meter-high 28-story building.

The future star-class towers, with a total construction area of 48,000 sq m, is designed for business, offices, restaurants and recreational activities, the sources said.

It is located in an area with 23 blocks of dangerous houses which need immediate upgrading. There are 423 families together with 23 units.

In order to improve the living conditions of these families, the District had secured 130 million yuan for upgrading the area before being joined in by the Singaporean company.

Foreigners Invest in Shanghai Hospitals

OW2205044595 Beijing XINHUA in English
0344 GMT 22 May 95

[FBIS Transcribed Text] Beijing, May 22 (XINHUA) — Joint hospitals are a rising new sector of overseas investment in Shanghai, the largest city in China, the WEN HUI BAO, a leading Shanghai newspaper has reported.

The report said the Shanghai Municipal Bureau of Public Health has approved 20 applications to set up joint hospitals since 1989, involving a total investment of 26.73 million U.S. dollars, adding that 12 of them are already in operation.

Over the past two years, more than 200 overseas investors have contacted the bureau for the founding of similar hospitals, the report said.

The opening of these joint hospitals has greatly improved the investment environment of Shanghai, as good medical service is an important factor that overseas investors have to consider before making their investment decisions, the newspaper said.

These joint hospitals usually have first-class facilities and provide good medical services, the newspaper said. They have overseas businessmen and other foreign residents in Shanghai as their main patients.

The report cited the example of the Huashan-Huanyu Health Care and Medical Center, one of the earliest joint hospitals in Shanghai. It was formed between the Huanshan Hospital affiliated with the Shanghai Medical Sciences University and the Hong Kong-based Huanyu Health Care and Medical Center.

The center caters to diplomats of the Shanghai consulates of the United States, the United Kingdom and France, and the foreign employees of Du Pont, Johnson and Ford's joint ventures in Shanghai.

According to the report, all the 12 joint hospitals in operation have reported making profits, and some have

applied to expand their operations. A joint stomatological hospital launched in 1991 lost 100,000 yuan in its first year of operation. However, for three consecutive years now it has reported annual profits of one million yuan.

The report noted that most of the joint hospitals are concentrated in a few fields such as stomatology and plastic surgery where good profits are more likely. Besides, the city's new economic center, the Pudong Development Zone has no such hospital.

The Shanghai Public Health Bureau plans to draft new investment policies to channel overseas investment to other fields such as cardioangiopathy, cerebrovascular disease treatment, tumor excision and emergency treatment.

Tianjin Joint Venture With Swiss Corporation
SK1905043295 Tianjin TIANJIN RIBAO in Chinese
26 Apr 95 pp 1, 2

[FBIS Translated Excerpt] The Chinese-Swiss Chemical Industrial Corporation of Tianjin, another project for using foreign capital to transform an old enterprise and produce high-class dyestuffs, opened on 25 April. The investment in this project totaled 151 million yuan. This project was developed with the investment jointly offered by the Sandoz Chemical Industrial Corporation of Switzerland and the No. 5 Dyeing Mill of Tianjin Municipality. Tianjin's No. 5 Dyeing Mill transformed on a large scale its equipment and technologies with international advanced techniques and managerial experiences so as to suit the market economic requirements and to join international competition. On 25 April at the Hyatt Hotel, Mayor Zhang Lichang met with Dr. Schweitz [name as transliterated], director of Sander chemical industrial corporation, and his party and highly appraised this corporation for positively supporting Tianjin's technological transformation among old enterprises.

This corporation is a transnational corporation with business in every part of the world. Besides the technological transformation project, this corporation will build a new intermediate chemical industrial project for the No. 5 Dyeing Mill of Tianjin. The total investment in these two projects surpasses 400 million yuan. [passage omitted]

At the meeting, Zhang Lichang said: Tianjin has made noticeable achievements in technologically transforming old enterprises with foreign capital. By applying advanced techniques and conducting technological transformation with foreign capital, many old enterprises in Tianjin have leaped to international and domestic leading enterprises and their products have been upgraded to a new height. This is an important way for enliven-

ing state-owned large and medium-sized enterprises. We will unswervingly persist in it.

Zhang Lichang said: Chemical industry is one of Tianjin's pillar industries. Chemical industrial trade conducts transformation with a view to upgrading standing, expanding scale, eliminating pollution, and improving efficiency. Some of Tianjin's chemical industrial enterprises have a good foundation. So long as we increase input to conduct transformation, we will be able to get twice the result with half the effort. Many foreign firms with foresight regard the transformation of old enterprises as their first target for investment. Increasingly more friends are welcomed to help Tianjin transform old enterprises. The municipal government will positively support them. [passage omitted]

Both sides deeply exchanged opinions on conducting cooperation in textiles, papermaking, medical, and plastic spheres.

Responsible persons of the municipal planning committee, the municipal economic committee, and the municipal committee for foreign economic relations and trade were present at the meeting.

Agriculture

XINHUA Commentary on Role of S&T in Agriculture

OW1905235395 Beijing XINHUA Domestic Service in Chinese 1325 GMT 18 May 95

[Article by unidentified XINHUA commentator: "Scientific and Technological Progress Is a Fundamental Way To Promote Agricultural Development"]

[FBIS Translated Text] Beijing, 18 May (XINHUA) — The period from now until the mid-21st century will be a historical period that is crucial to achieving our country's three-step strategic goal of modernization. To achieve this strategic goal, we must keep scaling new heights in agriculture and the rural economy. Given the ever-growing population, traditional agricultural technologies and farming methods can no longer ensure sustained agricultural and rural economic development. A fundamental way to promote agricultural development, therefore, lies in scientific and technological progress.

Comrade Deng Xiaoping pointed out early on that science would provide the ultimate solution to agricultural problems. In agriculture, the output of grain and other agricultural products has, as a matter of fact, been effectively boosted by a substantial margin through the cultivation of new strains and new combinations of strains, and the promotion of technologies for growing hybrid rice, applying plastic sheets, and growing thinly-planted

rice on dry land. Agricultural science and technology have played a tremendous role in successfully solving the problem of feeding and clothing 1.2 billion people.

It should be noted that agricultural science and technology still fall far short of the need for agricultural and rural economic development. Moreover, we need to raise grain output to 500 billion kg by the turn of this century, satisfy society's ever-growing demand for agricultural and sideline products, increase peasants' incomes, protect and improve the ecological environment in rural areas, and provide jobs for surplus labor. These tasks are undoubtedly arduous. Therefore, providing a scientific and technological impetus to agricultural and rural economic development has become an urgent task for the scientific and technological sector.

To upgrade our country's agricultural science and technology to advanced world standards, we must always give priority to scientific and technological progress in agricultural and rural economic development; give prominence to agricultural science and technology in our scientific and technological endeavors; and promote the transformation of traditional agriculture into a modern, highly efficient form of agriculture that provides greater and better yields.

We must provide scientific and technological guarantees for expediting agricultural development. At present, we should pay attention to applying our country's existing advanced agricultural technologies in combination. We should also selectively import a number of fine strains and advanced technology and management expertise from abroad, and quicken the pace of promoting and applying them. We should improve the rate and scale of converting agriculture-related technological findings into productive forces. Nationally, we should work hard to ensure that 50 percent of our agricultural output will be achieved through scientific and technological progress by the turn of this century, thus realizing the goal of increasing the output of grain, cotton, oil-bearing crops, and other major agricultural products.

We must achieve a closer integration of agricultural science and technology with rural economic development. We should conscientiously strengthen agricultural scientific research and technological development. We should work hard to achieve major breakthroughs in developing key technologies with practical and wide applications that have a significant impact on agricultural and rural economic development. Reality requires us to concentrate our superior resources on achieving major breakthroughs in such technological fields as the selection of new livestock and plant strains; overall control of plant diseases, insect pests, and natural disasters; comprehensive regional development, and the processing and com-

prehensive utilization of agricultural products. Scientific and technological progress should likewise play the important role of a "pioneer" in animal husbandry, multipurpose technology for aquaculture, water-efficient irrigation, scientific fertilizer application, forestry, meteorology, and biotechnology. All this plays a vital role in improving quality and efficiency in rural economic development.

It should also be noted that we should continue to implement the Spark Plan; work hard to improve the technological standards and scientific management of village and town enterprises; and guide those enterprises in a technology-intensive direction and toward intensive management if we want to promote rural economic development in an all-around manner through science and technology. Scientific and technological progress can also play a major role in applying various advanced technologies to the development of new industries, in creating job opportunities for surplus rural labor, and in promoting rural industrialization and small-town construction.

Practice has proved that to turn scientific and technological progress into a driving force for agricultural and rural economic development, we should devote great efforts to promoting the integration of agriculture, science, and education; popularize agriculture-related scientific and technological knowledge in an all-around manner; train agricultural technological personnel through various means; further intensify the drive to promote agricultural technology; and develop a community-based rural service network that combines technology, industry, and trade. To promote agriculture-related scientific and technological progress, we should increase input in agricultural science and technology by every possible means. Also, we should encourage scientific and technological personnel to become "resourceful housewives who can cook meals even without rice," and use minimum input to generate maximum output.

China's development depends on agricultural and rural development, which, in turn, depends heavily on scientific and technological development. Let us work together to reform the scientific and technological system in the countryside, and to promote scientific and technological progress in agriculture and rural areas.

New Marketing Co-ops 'Big Step' in Reform

*HK2105021295 Beijing CHINA DAILY in English
19 May 95 p 4*

[By Chen Xiao: "Co-ops Work For Farmers and Government"]

[FBIS Transcribed Text] The re-establishment of national supply and marketing cooperatives will not only

improve farmers' market position, but also enhance government's influences in rural market.

Set up on May 12, the All-China Federation of Supply and Marketing Co-operatives is more than the revival of its predecessor in a new form. It is believed to be a big step in rural reform.

The key feature of the new organization is that it is owned by farmers themselves instead of the government.

By separating government's control from the co-operatives, the ownership will be clearly shifted to the farmers' hands. Economists say that this will spur farmers' interest in the organization.

"The shift can win back farmers and vitalize the co-operatives, said economist Xiao Liang, who is an expert in research of private economy.

China set up the supply and marketing co-operatives in 1950 but cancelled them eight years later when the whole nation launched the "Great Leap Forward" toward a communist ideal.

The organization reappeared in 1962 and was merged into State-owned commercial sectors in 1969. It was again re-established in 1975.

Historically, the ownership of the co-ops was vague, swaying between the government and farmers.

Since 1982, the co-ops had been merged into the former Ministry of Commerce and represented the government in the rural market.

Due to the government ownership, farmers have not regarded the co-ops as their own. In spite of high risks, they abandoned the co-ops and stepped into market individually when the country accelerated the market-oriented reform in early 1980s.

Without support from farmers the co-ops found the going tougher and tougher and their businesses withered in rural market.

Like some other government-run firms, the co-ops suffered losses. Statistics show that 40 per cent of the supply and marketing co-operatives are operating in the red.

"To fix farmers' ownership is the way out for the ailing government-run supply and marketing co-operatives," said economist Xiao. Only when they realise that they are the owners, can farmers trust, support and rely on the cooperatives.

This is one reason why the central authorities decided to reform the co-ops and reaffirmed that the organization should be owned by farmers and serve farmers.

Meanwhile, to let the co-ops decline may reduce the government's influence in the rural market. Healthy operation of the co-ops decides whether the government's goal in farm production can be met or not.

In some areas, co-ops which were bogged down by losses have even been privatized. This has changed the nature of co-operation.

For the sake of their own interests, those privately-run co-ops have cheated farmers, sometimes selling fake chemical fertilizers or other fraud, thereby losing the trust of farmers.

Moreover, the tendency of privatization has upset the government. While claiming to return ownership to farmers, it reaffirmed that the collective ownership of the co-ops must be maintained.

As Vice Premier Zhu Rongji said, the reform of the co-ops is an important step in China's rural reform.

On one hand, the government deems that the new co-operatives can serve as a springboard for individual farmers into the revitalized market by supplying technologies, production materials and information services and reduce market risks.

On the other, it hopes that the co-ops can act as a State agency to purchase and reserve important farm products while passing State policies to farmers.

***Henan Agricultural Resources Termed 'Grim'**

95CE0394B Zhengzhou HENAN RIBAO in Chinese
8 Apr 95 p 1

[Article by Bao Tieying (7637 6993 5391) and Guo Lingling (6753 3781 3781): "Protection of Agricultural Resources Brooks No Delay"]

[FBIS Translated Text] Use of the term "grim" to describe the current state of the province's agricultural resources is by no means an overstatement.

Let us talk about farmland first. Henan province has 103 million mu of farmland, or 1.14 mu per capita, which is lower than the national average of 1.26 mu. More than 80 percent of this farmland consists of low yield fields; its quality leaves much to be desired. Moreover, the province is seriously lacking in reserve farmland resources. Nearly 18 million mu is available for development, but only 2.7 million mu of this can be used as farmland.

Now, let us talk about water. The province's water resources total 41.7 billion cubic meters, ranking nineteenth place in the country. This is less than one-fifth the per capita average for the country as a whole. The

provincial per capita amount of farmland is only one-sixth the average for the country as a whole, and precipitation is distributed unevenly both in time and place. Drought and flooding are unpredictable.

Furthermore, our control of the deterioration of the quantity and quality of agricultural resources is far from ideal.

Farmland area has declined sharply, and quality is declining too. During the Seventh Five-Year Plan alone, provincial farmland area decreased 1.7 million mu, while the population increased by 8 million. The lack of protection from looting-style use of farmland has damaged the farmland structure; its organic content is less. Water and soil erosion has also decreased the nitrate, phosphate, and potash content of farmland by 1 million tons each year, which is more than all the chemical fertilizer produced in the province in 1994.

The water table is falling, and surface water pollution is on the rise. The water table lies between four and six meters down over a 32,073 square [sq] km area, or 37.6 percent of the province's total area. There are 14 funnel zones in the province covering a 6,560 sq km area in which the ground water is eight meters down. One of them is the northern Henan funnel zone covering a 6,560 sq km area. A 1994 evaluation of water quality in key sections of rivers throughout the province showed the following: In 76.3 percent, the water was polluted with the water quality in 60.5 percent of the river sections exceeding the category 5 standard. This water cannot be used for farmland irrigation without prior processing. Even worse, the ground water has also been affected. Results of a random sampling conducted in 17 cities and counties throughout the province show 33 percent as meeting potable water standards; the remainder were all polluted to varying degrees. The water in 13.7 percent of all wells is no longer useable.

Numerous reasons account for the deterioration of agricultural resources, but the main one is control. For example, despite planning each year for the use of land for nonagricultural construction, the actual amount used is difficult to control. Indiscriminate approvals and arbitrary takeovers are on the rise. The province uses a substantial amount of water resources, but it does not use them rationally. Some jurisdictions take entirely too much, in addition to which industry — particularly township and town enterprises — do not process their waste water very well, thereby causing a "water wasteland" over a wide area. Superficially, although the province drew up regulations early on providing for centralized control of water resources by administrative authorities, there have been very many obstacles to implementation. A situation in which

everyone goes his own way without coordination, and the involvement of multiple agencies is widespread.

Of course, in today's situation of rapid economic development, there are also many irreversible objective factors involved in the consumption of resources. Each year 180,000 mu of land in the province are included in plans for nonagricultural construction. The area used for the construction of urban areas above the town level is expanding 6 percent each year, and in many counties the urban area has increased manifold. By 2000, the province will need between 37 and 39 billion cubic meters of water, but is capable of supplying only between 31 and 32 billion cubic meters, a shortfall of between 6 and 8 billion cubic meters. With the urbanization of rural areas and rapid advances in industrialization, the numerous pressures stemming from population, consumption demand, and all kinds of construction will mean a long-term tension between supply and demand for agricultural resources.

Clearly, good management and good use of agricultural resources is an extremely complex piece of systems engineering, the key to which lies in orderly development based on greater protection.

Control according to law. Conscious of the grim agricultural resources situation, the party and government long ago began to promulgate a series of policy regulations such as the "Land Control Law," "Basic Agricultural Protection Regulations," the "Water Law," and "Ways to Prevent and Control Water Pollution." In this connection, Henan Province drew up numerous detailed regulations for implementation, set up and perfected government control agencies, and instituted numerous reform in an effort to bring rational development of resources under the legal system. The province has completed the delineation of basic farmland protection zones in 55 counties and cities, the protected area covering one-third of provincial farmland. The average protection rate is better than 80 percent. Plans call for completion of all planning work in 1996, with the protected farmland area averaging 1 mu per capita at that time. Water resources throughout the province are under centralized control. Water resources and water project protection, as well as the collection of water fees and water resource fees is being regularized gradually. Registration to obtain water permits has been completed throughout the province, and permits are in the process of being issued.

Tapping potential. It goes without saying that containment of the depletion of resources must be a long-range plan, but improving efficiency in the use of resources right now is an important part of this plan. Henan province has 70 million mu of medium- or low-yield fields, and plans call for the transformation of 36 million

mu of it by 2000. The area of the province covered by the "four waste areas" is very large. There are 2.6 million mu of waste land alone. If the province's 600,000-mu land reclamation plan is completed by 2000, at a 200 kg per mu rate, grain production can be increased by 120 million kilograms. Water used for agriculture takes 90 percent of the province's total water supply, but use efficiency is very low. For gravity irrigation areas, in particular, use efficiency is only 30 percent. If this could be raised to between 40 and 50 percent, the province could save between 1 and 2 billion cubic meters of water annually, an amount equal to the capacity of several new large reservoirs. This is by no means impossible. For example the use of underground water conduits, drip irrigation, and spray irrigation could conserve 30 percent of water used.

It must be admitted that Henan Province has made tremendous efforts in recent years to protect and develop agricultural resources, but there is also a clear feeling that ability has fallen short of ambitions. For example, in 1990 the province began basic farmland protection. It fulfilled one-third of plan within five years, but now it wants to fulfill two-thirds of plan within two years. One can just imagine how difficult this will be. Meanwhile, neighboring Shanxi Province completed this task in 1991. As another example, Henan Province collects water fees, and water resource fees have been in effect for many years, but only 20 million yuan is collected annually. The amount collected is small change in comparison with the amount collected in neighboring Shandong Province. The Huang He is the sole useable water source traversing the province, but diversion of the Huang He has proceeded only slowly, the amount diverted being only half that of Shandong. Other tasks such as the development of manpower and weather resources also pokes along. All this shows that Henan Province has an extremely great potential to be tapped in protecting, developing, and conserving agricultural resources.

The experts say that the main limitation on Henan Province's development of agriculture during the 21st century will be deterioration of the ecological environment and insufficient natural resources. Therefore, beginning now, we must diligently protect and foster preservation of agricultural resources. We should reach the following consensus: Only when agricultural resources are robust can we shoulder the heavy burden of building agriculture and making a strong province.

Shandong Improves Farmland, Increases Yields

SK2005041995 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 19 May 95

[FBIS Translated Text] Shandong Province has scored tremendous achievements in agricultural comprehensive development. In carrying out agricultural comprehensive development on the Huang-Huai-Hai Plain and in the Huanghe Delta since 1988, the province's accumulated acreage of improved middle-and-low yield farmland has reached more than 14 million mu; its acreage of reclaimed wasteland has reached 2.24 million mu; and the province has built up a large amount of basic farmland with a high standard.

The agricultural comprehensive development has enhanced the comprehensive productive strength of agriculture. According to statistics, the per mu grain output increase of improved middle-and-low yield farmland generally may reach from 150 kg to 200 kg and the per mu cotton output increase may reach from 15 kg to 20 kg. The per mu grain output increase of reclaimed wasteland may reach about 500 kg and the per mu cotton output increase may reach about 50 kg. In order to expedite the agricultural comprehensive development, the province has continued to develop in depth the comprehensive production of agriculture and has established a large number of vanguard and leading enterprises in the regions that have taken up the projects of development as well as a large number of the production bases of farm and sideline products. The current number of vanguard and leading enterprises established by the regions across the province, which have taken up the development projects, has reached more than 130; and the acreage of productive bases of various farm products has reached more than 24 million mu.

Xinjiang Expands High-Yield Cotton Areas

OW2205032195 Beijing XINHUA in English
0220 GMT 22 May 95

[FBIS Transcribed Text] Urumqi, May 22 (XINHUA) — The Xinjiang Uygur Autonomous Region is trying to increase its high-yield cotton areas to one million ha and the output up to 1.5 million tons by the year 2000.

This northwest China's region is endowed with ideal conditions for planting cotton, and 60 out of its 80 counties and cities grow the crop.

With joint efforts by scientists and farmers, the region's cotton area expanded from 181,000 ha in 1980 to 749,800 ha last year, and its annual output rose from 79,200 tons to 882,000 tons.

At present, cotton has become the main industry in this multi-ethnic region, with cotton output value totalling 8.5 billion yuan last year, accounting for 28.3 percent of the region's total agricultural output value.

The region's textile industry has a combined production capacity of 1.157 cotton, cotton yarn and cloth account for one half of the region's total foreign trade volume.

The regional government plans to develop Xinjiang into China's largest market-oriented cotton production base, where cotton output value will account for one fifth of the region's gross industrial and agricultural output value by the end of this century.

Provinces Help Develop Xinjiang's Agriculture

OW2205074295 Beijing XINHUA in English
0724 GMT 22 May 95

[FBIS Transcribed Text] Urumqi, May 22 (XINHUA)
— Thirteen other provinces, autonomous regions and municipalities are joining hands with Xinjiang Uygur

Autonomous Region to develop production and processing industry of farm produce in this remote region in northwest China.

Statistics showed that the provinces, autonomous regions and municipalities have so far invested 290 million yuan in opening up 70,000 ha [hectares] for planting cotton.

Encouraged by the Xinjiang regional government, farmers from East China's Shandong Province came to the region to contract for developing vegetable production bases, and people from South China's Guangdong Province for growing grapes and processing and selling them to Guangdong and Hong Kong.

The first four months of this year witnessed provinces and regions from other parts of the country spend 130 million yuan on Xinjiang's agricultural development, and develop 22,000 ha of areas for planting cotton.

Experts here agree that the trans-regional agricultural development is an effective way to help solve the fund-shortage problem in Xinjiang, which abounds in rich natural resources, and to promote the mutual help and benefit between the west and the east China.

East Region

Fujian Courts Implement National Compensation Law

OW2005120495 Beijing XINHUA in English
0737 GMT 20 May 95

[FBIS Transcribed Text] Fuzhou, May 20 (XINHUA) — Local people's courts in east China's Fujian Province have set up compensation committees recently to implement the national law on compensation which took effect on January 1 this year.

Higher and intermediate people's courts in this coastal province have organized law-enforcement personnel to study the law, and have allocated specific persons to form compensation committees and have urged them to take responsibility for this issue.

The Law on Compensation is important in the protection of individual rights for the person and his or her property and for improving law-enforcement. It is also a major achievement in the socialist democratic legal system, according to a local court official.

Compensation issues may involve all people in cases such as accidental deaths and injuries and economic losses. The law will help with the smooth operation of the market economy.

Fujian Building 1,000-km Protective Sea Wall

OW2005083095 Beijing XINHUA in English
0645 GMT 20 May 95

[FBIS Transcribed Text] Fuzhou, May 20 (XINHUA) — Southeast China's Fujian Province is working to consolidate a thousand-km-long sea embankment to guard against typhoons and tidal waves which frequent the region.

More than 94 million yuan has been put into the project and 400 km of the sea wall has been consolidated, according to Chen Guoliang, head of the provincial department of water resources and hydropower.

Another 240 million yuan will be spent on the project this and next year for the consolidation of the remaining 600-km-long sea wall, Chen said.

Fujian has a coastal line of over 3,300 km, ranking second in China. It is frequented by four to six typhoons every year, which would cause over one billion yuan-worth of direct economic losses. Over a long period of time, the province has built 1,600-km-long tide prevention projects, which shelter over 200,000 ha of arable land, a population of 3.3 million and businesses that produce more than 10 billion yuan-worth of industrial and agricultural output value.

Most of the projects are dilapidating. The provincial authorities decided to consolidate the sea wall in 1992 and earmarked 10 million yuan from the provincial budget every year for the project. Starting this year, the sum will be increased to 20 million yuan.

It is estimated that 428-km-long key sections of the sea wall will be consolidated this year, according to Chen.

Shandong Governor Arranges Work for 1995

SK2105024095 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 20 May 95

[FBIS Translated Text] Li Chunting, deputy secretary of the provincial party committee and governor of the province, delivered a speech at the conference of mayors and commissioners, which concluded on 20 May. He stressed in his speech: We should give priority to successfully grasping the three major things this year with regard to achieving development in agriculture and in the rural economy; carrying out the yearly campaign of seeking results from management; and encouraging organs to carry out construction of ideology and work style.

Li Chunting also cited his specific opinions on several tasks that should be emphatically and successfully grasped at present. On the purchase of summer grains, Li Chunting stated: The provincial people's government has decided that peasants who have sold 50 kg of fixed-quota purchase grains to the state this year may enjoy the distribution of 5 kg carbamide at the retail price fixed by the province, that the responsibility system for procuring summer grains should be continuously enforced; and that by no means should we give IOUs to peasants when procuring grains this year. On the issue of relieving the burdens of peasants, Li Chunting stated: Since the last half of 1994, many localities have resurged the apportioning of expenses to peasants. For this, units at all levels should further unify their understanding on the issue of relieving the burdens of peasants; clear up again the projects relating to peasants' burdens; perfect the relevant laws and regulations in this regard; and have these laws and regulations pass the appraisal from level to level.

Li Chunting pointed out: During the January-April period this year, the general level of retail prices throughout the province showed an 18 percent increase over the same period of 1994 and the increased scale in retail prices showed a 4.9 percent decrease over 1994. Tasks to maintain a 15 percent increase in commodity prices this year still are very arduous. We should mobilize all social forces to conduct supervision and inspection over prices and to strictly enforce the laws and regulations relating to commodity prices.

Also addressing the conference were Chen Jianguo, Zhang Ruifeng, Wang Yuxi, and Shao Guifang, vice governors of the province. In their speeches, they cited the work in the fields of industrial and communication production, urban construction, finance and trade, and the development of agriculture and the rural economy, as well as made arrangements for the work of next period.

Shandong Cracks Car Smuggling Case

SK2205105295 Jinan DAZHONG RIBAO in Chinese
24 Apr 95 p 5

[By correspondent Chi Liwei (6688 7812 0251) and reporter Yang Lihua (2799 4539 5478): "Qingdao Customhouse Cracks a Serious Car Smuggling Case"]

[FBIS Translated Text] The Qingdao Customhouse recently cracked a case at the scene of the crime in which containers were being used to smuggle 40 imported old European and American luxurious cars including some Lincoln, Cadillac, and BMW cars, with an estimated value of 12 million yuan.

It is reported that the Chinese owners of these smuggled cars imported from the United States are a certain unit in Weifang, Shandong Province, and a certain unit in Beijing. They forged the description of the cargo and attempted to go through customs at Shandong port in the form of transshipping. In the process of smuggling, they disassembled cars into several parts, loaded each container with two cars, enclosed them with plywood, and piled up a great amount of car parts and engine oil to obstruct the view. This case is now under further trial.

As noted by the Qingdao Customhouse, recently the smuggling on the sea has tended to decrease progressively thanks to the joint efforts of various authorities in Shandong, but the smuggling through cargo channels has tended to increase. Pertinent departments are now paying close attention to this new trend.

Shandong's Weihai Executes 12 Robbers

SK2005064895 Jinan DAZHONG RIBAO in Chinese
3 May 95 p 1

[FBIS Translated Text] The Weihai City intermediate people's court recently held an open trial to sentence 12 robber felons to death. They were escorted to the execution ground and executed by shooting the same day. The court also sentenced another 12 convicts to death, life-long imprisonment, and term imprisonment. The 24 convicts stole sedans, motorcycles, and cash worth 2.45 million yuan.

Shanghai To Streamline Government Organizations

OW2105003695 Shanghai WEN HUI BAO in Chinese
28 Apr 95 p 1

[Unattributed article: "Separating Government and Enterprises; Changing Functions; Municipal Government To Streamline Organizations by 36.9 percent"]

[FBIS Translated Text] The number of Shanghai municipal government commissions, offices, and bureaus will be streamlined from 84 to 53 after restructuring, a reduction of 36.9 percent. This reporter learned this yesterday at the 18th session of the 10th Shanghai Municipal People's Congress Standing Committee.

According to a briefing by Huang Yaowen, office director of the committee in charge of the establishment of municipal organizations, the CPC Central Committee and State Council have approved the plan for Shanghai's organizational restructuring. The guiding ideology for this restructuring is: changing functions, regulating interorganizational relations, streamlining staff and administration, and raising efficiency. These tasks are to be carried out on the basis of meeting the demand of the establishment of the socialist market economic system; on the principle of separating government and enterprises; streamlining, consolidating, and raising efficiency; and on proceeding from the functions, characteristics, and actual conditions of exceptionally big cities. The restructuring will be centered on changing government functions and regulating interorganizational relations. Undertaking overall planning and giving full consideration to practical conditions and possibilities, it is necessary to first conduct experiments. The task should be gradually carried out with plans. A new plan should only be started after another is completed.

Huang Yaowen said: The principal tasks and plans for Shanghai's organizational restructuring this year are: reforming municipal party and government organizations; experimenting in restructuring prefectural- and county-level party and government organizations; making good preparations for the organizational restructuring of the people's congress, the provincial committee of the Chinese People's Political Consultative Conference, people's courts, and people's procuratorate; regulating relations and doing a good job in determining functions, planning, and establishment of municipal party and government organizations; quickening the pace of reforming business units; and strengthening the study of intermediary organizations.

Shanghai's Huang Ju on Illegal Activities
OW2005153395 Shanghai JIEFANG RIBAO
in Chinese 29 Apr 95 p 1

["Dispatch" by Wang Ling-ying (3769 3781 5391):
"Serve as a Bridge Between Party and People"]

[FBIS Translated Text] On 28 April, at the Shanghai Exhibition Center, the Shanghai Municipal CPC Committee and the municipal people's government held a Shanghai municipal conference on the work of attending to the letters and visits received from people reporting illegal activities. Huang Ju, municipal party committee secretary, made an important speech at the conference, calling on party and government organizations throughout the municipality to further strengthen the work of attending to the letters and visits from people reporting illegal activities and to enhance ties between the party and government on the one hand and the masses on the other, so as to enable this work to make greater contributions to opening up a new situation for all fields of work in Shanghai.

Comrade Huang Ju said: The work of attending to the letters and visits from people reporting illegal activities is very important for appropriately handling the relationships among reform, development, and stability, for resolving contradictions, and safeguarding social stability. It serves as a bridge linking the party with the people. Under the new situation it is very important to really strengthen this work.

Comrade Huang Ju fully affirmed that over the past three years, this work has made positive contributions to bringing about an excellent situation in Shanghai. He said: During the past few years, through letters and visits, the masses of people have made many proposals and suggestions in connection with Shanghai's reform and development. Departments responsible for attending to the letters and visits from those people reporting illegal activities, by obtaining feedback from them, were able to provide a basis and information for party and government leaders and relevant departments to make correct policy decisions. Departments in charge of people's letters and visits have improved their work-style in coordinating with and assisting relevant departments, promptly and effectively resolving the masses' practical difficulties, safeguarding their legitimate rights and interests, and striving to resolve contradictions, thus playing a role in strengthening the ties between the party and government on the one hand, and the masses on the other. Through support for democratic supervision by the masses and by earnestly handling reports of illegal activities from them, the departments in charge of the people's letters and visits have played a role in improving the party and government's image.

Huang Ju stressed: At present, as the situation faced by the work of attending to the letters and visits from people reporting illegal activities is undergoing great change, we must correctly deal with and prudently resolve the contradictions and problems that have emerged in our advance. By recognizing the strategic importance of correctly handling the relationships among reform, development, and stability, we should have a better understanding of the objectives and priorities of this work, regard it as an important way of making policy-making more democratic and scientific. We should raise the quality and level of this work, give full play to our subjective initiative and creativeness, and strive to give it new characteristics in the new period.

Huang Ju called on party and government leaders at all levels to regard the work of attending to letters and visits from the masses as important in implementing the party's basic line, and to further strengthen leadership over this work by attaching importance to it ideologically and doing it according to policies. He said: Under the new situation, we should inherit and carry forward the party's fine traditions and work-style and resolutely resist and oppose negative and corrupt bad habits to forever preserve our party's political color as a vanguard of the proletariat and its style of doing hard work. Attaching importance to the work of attending to people's letters and visits is a way to judge whether leading cadres have fostered the purpose of serving the people wholeheartedly, knowing what the masses are thinking about, and helping them resolve difficulties and problems. We should place the work of attending to people's letters and visits as an important item on the agenda. The principal leaders should personally grasp this work, and leading bodies should have some specialized personnel to take charge of this work. Thus, they can hear regular reports on this work and conduct studies, make plans, and give specific guidance in connection with the launching of this work. All departments and units should lose no time in organizing work bodies with party and government leaders in command, with participation from relevant functional departments, capable personnel, and sound networks. It is necessary to further implement measures, improve work mechanisms, and do a good job in collecting, analyzing, and spreading information. In particular, it is imperative to strengthen leadership over the work of attending to the people's letters and visits at the grass-roots level, so as to raise the level of this work at basic units. Leading cadres should really improve their work style by going to the grass-roots units and masses to listen to their opinions and understand their feelings. A special effort should be made to help and guide the grass-roots units to do well their work of attending to the people's letters and visits.

To do this work well, we must strengthen the building of work contingents. Huang Ju earnestly called on the cadres in charge of this work to have a strong concept of the masses, high political consciousness, to be honest and fair toward people, improve themselves with knowledge, have a strong sense of responsibility, high political consciousness and a strong sense of the laws, to be good at coordinating work, and patient and meticulous in carrying out their work. He called on party and government organizations to attach importance to ideological building and work style of the cadres in charge of the work of attending to people's letters and visits, strengthen the training and employment of such cadres, and help them resolve practical difficulties so as to give full play to their initiative and enable the work of attending to people's letters and visits to make greater contributions to bringing about a new situation in all fields of work in Shanghai.

Yesterday's conference was presided over by Wang Liping, municipal party committee deputy secretary. Hua Jianmin, vice mayor and standing committee member of the municipal party committee; Song Yiqiao, municipal party committee secretary general; Feng Guoqin, municipal government secretary general; Liu Yungeng, municipal party committee deputy secretary general and the municipal government; party and government leaders of the various districts, counties, commissions, offices, and bureaus; and cadres in charge of the work of attending to people's letters and visits, numbering over 500, attended the conference. The municipal office in charge of attending to people's letters and visits, municipal economic commission, Hongkou District Government, and Shen Wei, a cadre in charge of the work of attending to people's letters and visits from Xinyang Township, Nanhui County, introduced their respective experiences in this work.

During the conference, 10 advanced work collectives, 10 leading cadres, and 90 workers who had made outstanding contributions to the work of attending to people's letters and visits were solemnly commended. Comrade Shen Zhengsen of this newspaper was commended as being an outstanding worker for this work in Shanghai.

Central-South Region

Guangdong Tries To Counter Investment Slump

HK2205010695 Beijing CHINA DAILY in English
20 May 95 p 5

[By Zheng Caixiong: "Investment Downturn Is Countered in Guangdong"]

[FBIS Transcribed Text] Guangzhou—South China's Guangdong, the pioneer province in China's opening

and reform, is going all out on a new campaign to court overseas investment in a bid to stem the slackening inflow of foreign capital investment.

Efforts include scheduled trade fairs in neighbouring countries and regions, and the establishment of new investment areas.

Guangdong signed 1,854 foreign investment contracts in the first quarter of this year, about 43 per cent less than the same period last year. Contract investment was about \$4.5 million, down 50 per cent.

And during the January-March period, Guangdong local governments approved 1,642 foreign funded firms, down 44 per cent.

But Guangdong's actual foreign investment arriving during the January-March period climbed about 18 per cent to \$2.59 billion.

Local officials said that the fall of contractual foreign investment would, in some way, hamper the construction of the province's key industrial and infrastructural projects.

Analysts said that Guangdong now has to fiercely compete with other provinces at home and Viet Nam, the Philippines, Singapore, Malaysia, Thailand and other countries and regions in Southeast Asia for foreign investment.

Some of these countries have also introduced preferential policies than Guangdong [as published] to attract foreign funds, said an official with the provincial Foreign Trade and Economic Co-operation Commission.

Another factor causing the decline of foreign contractual investment in the province was the removal of speculative investors on real estate projects which are no longer encouraged.

"The decline in small-scale real estate investments will open a new channel for big-name companies to make long-term investments in the province," said one local analyst.

To help attract foreign investment, Guangdong Province organized an agricultural trade fair in Hong Kong earlier this month. A total of 670 contracts and letters of intent worth \$3.4 billion were signed.

Guangzhou's Municipal Government also held an investment and trade fair in the territory last month for the benefit of provincial construction. Similar fairs will be organized in France and Germany in November this year to help expand economic ties between the provincial capital and the European nations.

Zhu Senlin, governor of Guangdong, led a trade delegation to Malaysia and Indonesia in early April. The delegation included Xu Dezhi, director of Guangdong Provincial Commission of Foreign Trade and Economic Co-operation, Lin Shusen, director of Guangdong Provincial Commission of Planning, and other senior government officials.

Guangdong, which borders the territories of Hong Kong and Macao, particularly, expects more big name foreign companies and financial groups to support the province's economic construction this year, the official said.

Infrastructure, agriculture and high technology will be given top priorities in the use of overseas investment.

To this end, Guangdong needs to introduce new preferential policies and regulations to offer to the market, the official said.

Guangdong Enterprise Experiment Meets Resistance

*HK2105020995 Hong Kong HONGKONG
STANDARD in English 20 May 95 p 7*

[By Pamela Pun]

[FBIS Transcribed Text] Beijing's vision of setting up a modern enterprise system with improved management has been clouded by resistance, mostly from state firms, in Guangdong.

Chinese sources said only one-third of specially selected enterprises in Guangdong had tried to establish a modern marketing system within guidelines set by authorities.

They said the pilot program had been effectively aborted because of resistance from state enterprises and the fickle policies of local authorities.

The enterprises involved, mostly state-owned, complained that they were losing rather than benefiting from the experiment, sources said.

Analysts said these firms were apparently upset they could no longer enjoy certain fiscal privileges as authorities had tightened auditing requirements and plugged all loopholes in laws and regulations.

For instance, several firms used to pay less taxes or avoid some charges by presenting different accounting books.

Analysts said China's banking system, the last Stalinist stronghold, was another factor behind the slow progress of reforms in the state sector.

Experts said that efforts to establish a modern enterprise system were doomed unless the banking system was overhauled first.

As part of Beijing's pledge to restructure the ailing state sector, 250 enterprises, mostly state-owned, were hand-picked by the Guangdong provincial government for the modernisation experiment.

Some collectively owned companies and a few private enterprises were also included in the project.

However, only one out of three state-owned firms was found to be strictly adhering to the experimental system.

Observers said this had seriously undermined efforts by provincial authorities to complete the experiment by the end of this year.

Beijing had said the experiment would be expanded to include firms in other provinces if it was successful.

Disputes between liberal and conservative officials and economists have reached a crescendo in the past months, particularly after a contentious article by a former provincial official was published outside Guangdong.

The article, entitled "Refuting public ownership means refuting socialism", was written by the former director of the provincial Commission for Restructuring the Economy (CRE).

It was carried by a magazine in northern Shanxi province in March.

Sources said the article was in sharp contrast to plans by reform-minded CRE officials to adopt radical economic policies, such as privatising debt-ridden state enterprises.

People in Guangdong only knew of the article last month because all publications in the free-wheeling southern province had ignored it, sources said.

They said a mixed economy should be established to rescue state enterprises in the red.

For instance, they said profitable state enterprises or those owned collectively or privately could buy and rehabilitate losing state firms.

Liberal economists said rampant graft and embezzlement of public funds by officials, rather than the privatisation of state firms, should be blamed for the loss of state assets.

Guangzhou Deploys More Police To Patrol Streets

*HK1905153095 Beijing ZHONGGUO XINWEN SHE
in English 1126 GMT 19 May 95*

[FBIS Transcribed Text] Guangzhou, May 19 (CNS) — Starting from tomorrow, an additional team of 2,000

uniformed police officers will perform patrol duties in the streets of Guangzhou to maintain law and order in the community.

At the inauguration and drill parade ceremony of the municipal police patrol team today, Guangzhou mayor, Li Ziliu and other senior officials were present. After the inauguration ceremony, the patrol team formed a parade and marched to the city centre where thousands of citizens greeted the officers.

The police patrol team has been organized from the former antiriot police. At present, the team has 2,000 police officers, including 680 fresh graduates from Guangzhou Police Training School.

It is understood that the establishment of the municipal police patrol team will be increased to 3,000 later in the year. As far as operations are concerned, officers will be divided into small groups based on security requirements in specific areas, geographical factors, and according to police division boundaries for 24-hour patrol duty at certain black-spots, with a minimum 12-hour patrol duty in ordinary districts.

With more police officers on the beat, security will surely improve; local citizens will feel more secure and find Guangzhou a better place to live in.

Shenzhen To Intensify Fight Against Corruption

*HK2105021095 Hong Kong HONGKONG
STANDARD in English 20 May 95 p 8*

[By Amy Liu in Shenzhen]

[FBIS Transcribed Text] Shenzhen has vowed to intensify the fight against official corruption and to maintain social order so as to retain its leading role in the implementation of the policy on opening up to the world, a senior judiciary official said.

Xu Liangdong, president of the Shenzhen Intermediate People's Court, called on municipal officials to step up education and propaganda measures to improve people's social morality to crack down on the soaring crime rate and rampant corruption.

"Without a clean government and a good social order in the special economic zone (SEZ), the implementation of the opening up policy would be just empty talk," Mr Xu told The Hong Kong Standard.

Mr Xu quoted paramount leader Deng Xiaoping's statement in which he said the anticorruption fight would continue as long as China was opening up to the outside world.

According to the work report delivered by Mr Xu yesterday to the on-going annual session of the Municipal

People's Congress Shenzhen's crime rate has risen sharply since last year.

The court has handled 14,991 cases of various kinds, a 46.9 per cent increase over the previous year.

And 568 people were sent to prison, an increase of 63.7 per cent.

Some 606 cases of economic crimes involving 718 people were dealt with over the past five years.

Of these, 12 cases involved more than 10 million yuan (HK\$9 million), according to the report to be delivered today by Xiong Bingquan, procurator-general of the Shenzhen Municipal People's Procuratorate.

Twenty-five officials were punished last year.

Yu Qiang, a deputy head of the city planning section of suburban Baoan county, and Li Jianhua, a deputy general manager of a company in Shenzhen, were executed for corruption.

Wang Jianye, the head of the finance and trade office of the municipal planning bureau, was given the death penalty recently.

Shenzhen is targeting those officials who abuse their power and engage in corrupt practices.

More than 50 million yuan in state funds were recovered after investigations into 450 cases of economic crimes were concluded.

Last year, the courts called on official financial institutions to chase up overdue loans.

About two billion yuan in state funds were recovered last year. Most of the money was "borrowed".

To strengthen measures in the fight against corruption, the Municipal People's Court of Shenzhen last year adopted a regulation to prevent officers of the judiciary from meeting with an accused or people related to the accused in any informal manner.

Meanwhile, Shenzhen courts last year concluded 214 business disputes involving people from Taiwan, Hong Kong and Macao.

The court responsible for bankruptcy, which is under the municipal court, last year declared 53 enterprises to be insolvent.

Xu Liangdong admitted the judiciary's work in Shenzhen had to be improved in order to handle the increasing number of cases and the problems of a market economy.

Shenzhen Increases Revenues to Central Government

OW1905133095 Beijing XINHUA in English
0933 GMT 19 May 95

[FBIS Transcribed Text] Shenzhen, May 19 (XINHUA) — The Shenzhen Special Economic Zone in south China's Guangdong Province has steadily increased its financial contributions to the Central Government and the Guangdong Provincial Government since its establishment 15 years ago.

An official of the Shenzhen City Government said that since 1990 Shenzhen has handed over a total of three billion yuan in financial revenues to the central and provincial governments.

The amount of such revenues soared to 1.3 billion yuan in 1994 from 310 million yuan in 1990, the official said.

Special and flexible measures are being pursued in Shenzhen to attract investors from Hong Kong, Macao, Taiwan and overseas.

The official said that over the past four years customs offices in Shenzhen have handed over 8.77 billion yuan in tariffs and state banks in Shenzhen have paid 8.17 billion yuan in profits to the Central Government.

Meanwhile, the local railway department has paid 3.17 billion yuan in profits, and local post and telecommunications offices have paid 2.09 billion yuan in profits to the Central Government.

Every year the Shenzhen City government also earmarks two percent of its revenues to aid economic construction in less-developed areas inside and outside Guangdong Province.

By the end of 1994 Shenzhen had earmarked 330 million yuan to undertake 115 projects in such areas.

A rising manufacturing center in south China, Shenzhen has provided jobs to two million people from other parts of the country, the official said.

Henan Conducts Birth Control Survey in Jiaozuo

OW1905171395 Beijing XINHUA in English
1511 GMT 19 May 95

[FBIS Transcribed Text] Zhengzhou, May 19 (XINHUA) — The fewer the children, the better the care they will receive. This is a principle widely acknowledged by a group of Chinese farmers in central China's Henan Province who have benefited greatly from implementation of the national birth-control policy.

Henan Provincial Population Studies Society and the Henan Institute of Population recently conducted a survey of 100 rural households known as "model

families with fewer births and quicker prosperity" in seven counties around Jiaozuo City.

Most of the surveyed families believe that it is not important to have many children; the most important thing is that the children will be of use to society when they grow up.

Before the birth control policy was introduced in the 1970s, each family in China usually had at least two or three children, and even more in rural households.

Qin Jinquan, a farmer in Diantou Village, Kejing Township, Jiyuan City, has become prosperous from engaging in the transportation businesses. He and his wife, with a net income of about 20,000 yuan (some 2,380 U.S. dollars) a year, only have one child.

"I myself have seven siblings, and my parents had to work hard, live frugally and tire themselves out all their lives in order to bring us up," said Qin. "Yet we children also led hard lives and hardly received any education."

Shortage of education is a hindrance to him in his present business. So he now only has one child and gives him better care, with the hope of eventually sending him to college.

Local demographer Zhang Hongyu said that the birth-control policy not only helps to curb population, but also serves as an effective way for improving the quality of the people.

Hou Xiying, a farmer in the suburbs of this capital of Henan, has an eight-year-old boy. She usually takes her son with her on trips. She told reporters that she wants her son to get to know more about the world from such trips.

More and more Chinese farmers who have become rich in the past few years, like Hou, intend to give their children better care and better education.

Better care for these children starts before they are born, according to local officials.

Birth-control stations and schools have been set up in all townships of the province to offer services ranging from pre-marital checkups, pre-marriage education, maternity care, child delivery and ways on how to feed babies and sex knowledge, to birth-control policies.

In the meantime, local governments have worked hard to provide children with favorable environments to grow up in.

For instance, all villages in Xiping County, Henan, have set up pre-school classes, and the rate of school attendance amounts to 90 percent.

Households with only one child each in economically-developed villages are exempted from paying tuition fees and miscellaneous expenses from kindergartens to primary schools.

Over the past three years, more than 2,000 students from the rural areas of the county have been enrolled in colleges and technical schools.

Southwest Region

Further on Dalai Lama Reincarnation Claim

BAC Chairman on 'Unauthorized' Act

OW1905141795 Beijing XINHUA Domestic Service
in Chinese 1041 GMT 18 May 95

[FBIS Translated Text] Beijing, 18 May (XINHUA) — On 18 May, Zhao Puchu, National Committee of the Chinese People's Political Consultative Conference vice chairman, Buddhist Association of China (BAC) president, and chief adviser to the search for the reincarnated Panchen Lama, delivered a speech on the unauthorized pronouncement on the "reincarnated child of the Panchen Lama" by the Dalai Lama. The full text of the speech follows:

Through the broadcast of the speech by a spokesman of the State Council Bureau of Religious Affairs on the Dalai Lama's confirmation of the reincarnated child of the Panchen Lama during an interview with XINHUA reporters on 17 May, I was very shocked and indignant with the Dalai Lama for committing an act that violates fixed historical convention, undermines religious rituals, and disrupts the normal search process, particularly by violating the decree of the "intent contemplation rules" of the Tibetan Tantric sect, through his unauthorized confirmation of a certain child as the "reincarnated child" of the 10th Panchen Lama abroad.

I enjoyed a close working relationship and association with the 10th Panchen Lama, who was the honorary BAC president. I remember that during a forum with some religious personages from five provinces and autonomous regions on 24 January 1989, four days before his passing, the Panchen Lama notably brought up the matter of the living Buddha's reincarnation. Upon proposing that "three possible reincarnated children be sought out and checked one by one," he said: "I think the best option is to hold a "lot-drawing" ceremony in front of the statue of Sakyamuni because Sakyamuni is universally acknowledged. Sakyamuni's advice could also be sought if something goes wrong." We can regard these words as the great master's important deathbed testament. Confirming the reincarnated child of the Panchen Lama through the method of "lot drawing" is the great master's last wish. The great master told

me more than once during his lifetime that he would return if his wish for patriotism and religious devotion is not satisfactorily fulfilled. I have often prayed for him since his passing, hoping that the reincarnated child of the great master will be installed on the holy throne as soon as possible so that the Panchen Lama may continue fulfilling his wish and reach full attainment upon fulfilling it.

The State Council made three decisions concerning the funeral arrangements and reincarnation of the Panchen Lama on 30 January 1989. The third decision states: "The search and confirmation of the child who is the reincarnation of the 10th Panchen Erdini Qoigyai Gyaincain shall be handled by the Democratic Management Committee of the Zhaxi Lhunbo Monastery with the assistance of the BAC and its Tibetan branch when necessary, and the result should be forwarded to the State Council for approval." As the chief adviser to the work team in charge of locating the reincarnated child of the Panchen Lama, I know that the team has done considerable meticulous work in accordance with Buddhist rituals and procedures, and I am gratified at the splendid results it achieved in this regard. I hope the reincarnated child of the Panchen Lama will be confirmed beyond doubt as soon as possible through lot drawing in front of Sakyamuni with the merciful endorsement and wise judgment of the Buddha, and the result approved by the State Council, so that we can accomplish a major event in Buddhism.

Who would know that while an intensified search is being carried out, the Dalai Lama would ignore everything else by pronouncing a Tibetan child as the "reincarnated child of the Panchen Lama," thereby committing an illegal and invalid act that constitutes political splittism. From the religious point of view, his move has gone against the will of Zong Kaba and the principles of the Gelugpa sect's intent contemplation rules. As all Buddhists know, the reincarnation of Buddhist saints, including the Tibetan living Buddhas, is to fulfill the will of the Buddha to save the people and the world. The aim of living Buddhas and Buddhist saints is to fulfill the vows they made in their lifetime, and they will return through reincarnation to continue redeeming their vows if they fail to do so. Such vows are called the "intent contemplation rules" by the Tantric sect, or the "identity" of the living Buddhas and Buddhist saints. Anyone who violates such vows, violates the "identity" and the "intent contemplation rules." My relationship with the great master Panchen Lama over scores of years has helped me acquire a deep understanding of the great master's wish, which was to realize solidarity in the motherland and ethnic unity, and to see the well-being of the people, world peace,

Tibet's progress, and the expansion of Buddhism. He expressed the hope to see the wise and auspicious light of the Buddha illuminating every corner of the world, the Eastern civilization prosper, and the issue of self-improvement by mankind and of life and death solved gradually. The Dalai Lama would not have gone against the Panchen's wish for patriotism and religious devotion had he truly hoped to see the reincarnation of the 10th Panchen Lama, which would be in accordance with the Dalai Lama's vows on "identity." The reason that Zong Kaba required the Dalai and Panchen lamas to "become each other's teachers and students" in those years is to ensure that the latter redeem their vows, take care of each other's wish, and help each other return through reincarnation to redeem their vows to help all living things and save the world and mankind from the sea of misery. Even if we push aside the fact that this "teacher-student" relationship had already broken down during the era of the 13th Dalai and the Ninth Panchen and was nonexistent between the 14th Dalai and the 10th Panchen, the Dalai Lama's irresponsibility and disregard of religious doctrine, religious rituals, and the Panchen's vows on the matter of the Panchen's reincarnation would still have long amounted to the betrayal of the great master Zong Kaba's basic injunction of "becoming each other's teachers and students," and the Gelugpa's principles of the "intent contemplation rules." Can we consider as accurate an act that fundamentally violates the Panchen's wish and involves the coercive confirmation of a child as the "reincarnation" of the Panchen? The Dalai himself, a living Buddha, is the one who violates the vow on "identity" and his act will not have the Buddha's endorsement. You have violated and contradicted the Buddha's vows on identity. I urge the Dalai Lama to quickly wake up to his error; to "repent past errors for he has not strayed far although he is lost"; and to return to the path of the Gelugpa's "intended contemplation rules" as soon as possible, to the correct path as dictated by the great master Zong Kaba, to the arms of the Tibetan people, and to the embrace of the big family of the Chinese nation. The true gates of Buddhism — patriotism and religious devotion — are always open to you.

Tibet Deputies Denounce Claim

OW1905114495 Beijing XINHUA Domestic Service
in Chinese 1500 GMT 18 May 95

[By reporters Luobu Ciren (5012 1580 2945 0088) and Duoji Zhandui (1122 0679 0594 1018)]

[FBIS Translated Text] Lhasa, 18 May (XINHUA) — The Dalai Lama's illegal and unauthorized declaration of a Tibetan boy as the "reincarnated child of the 10th Panchen Lama" has provoked strong reaction from the

ongoing Tibet-Autonomous Regional People's Congress and Chinese People's Political Consultative Conference [CPPCC] sessions in Lhasa. Today, many people's congress deputies denounced, in turn, the Dalai Lama's violation of historical conventions and religious rituals governing the search for the reincarnated child of the Panchen Lama. They called the declaration yet another act by the Dalai clique to split the motherland.

Gyaga Losangtamqo, a 67-year-old people's congress deputy, has worked for the 10th Panchen Lama since the fifties and is currently a member of the leading group in charge of the search for the reincarnated child. He said: "I was very indignant upon hearing the Dalai Lama's sudden declaration of the 'reincarnated child' of the Panchen Lama. This is an act that completely violates religious conventions, and we resolutely do not recognize it."

The vice chairman of the Xigaze Prefectural CPPCC Committee said: There is a complete set of historical conventions and religious rituals governing the reincarnation of the two living Buddhas Dalai and Panchen, the most important being the "drawing of lots from a golden vessel" before a Sakyamuni statue to determine the reincarnated child from among several candidates who have been selected in a preliminary round, and reporting the result to the central government for approval. This practice was followed in selecting the reincarnated children of the previous Panchen Lamas. In selecting the reincarnated child of the 10th Panchen Lama, for example, "lots were drawn from a golden vessel" at the Gumbum Monastery in Qinghai, and the result was reported to the Kuomintang Central Government for approval. The result was approved for recognition by Li Zongren in 1949. At that time, the local government of Tibet, headed by the Dalai Lama, also found a "reincarnated child," who failed to win recognition from monks and lay people in the absence of the central government's approval. The Dalai Lama is now replaying that historical farce.

Lamar Cering, an eminent monk from the Zigong Seminary at the Zhaxi Lhunbo Lamasery, the home temple of all previous Panchen Lamas, said: Tremendous historic changes are taking place in Tibet thanks to the concern and support of the party and state. The Tibetan people enjoy religious freedom. The Zhaxi Lhunbo Lamasery attracts many worshipers, and the lamas there live happily. Although it does not believe in any religion, the CPC has spent large amounts of money in recent years to build stupas for the fifth through 10th Panchen Lamas in deference to believers' religious needs. This joy-giving event in Buddhism is unprecedented in Tibet's modern history. As the search for the reincarnated child of the Panchen Lama was proceeding smoothly with the

full support of all lamas at the Zhaxi Lhunbo Lamasery, the Dalai Lama, motivated by the political aim of splitting the motherland, intentionally disrupted the search in an effort to undermine the excellent situation in Tibet.

The 76-year-old, gray-haired lama said: "The central government confers the Dalai and Panchen titles. The reincarnated child is subject to the central government's approval. At present, the search for the reincarnated child is proceeding smoothly according to prescribed procedures. We will ignore the Dalai's action, continue to raise the 10th Panchen Lama's great banner of patriotism and religious devotion, and resolutely oppose any action aimed at splitting the motherland under the pretext of religion."

Cering Targyai, a people's congress deputy from Yadong county, said indignantly: "Tibet is in the best period of development in its history. People of all nationalities cherish this rare opportunity, and hope to develop the economy and improve their living standards. A handful of splittists headed by the Dalai, however, want to disrupt our excellent situation by every possible means. People of all nationalities in Tibet are very indignant about their attempts, which we will resolutely reject."

He said: "What the Dalai Lama did was totally baseless, unreasonable, and legally untenable. It was aimed at disrupting Tibet's progress in construction. The paths taken by him and us are totally different. His unauthorized declaration of the reincarnated child, therefore, will not be accepted by the Tibetan people."

Losang Toinzhub, people's congress deputy and Lhasa mayor, said: "We fully endorse the stand enunciated by the State Council Religious Affairs Bureau's spokesman during his interview with a XINHUA NEWS AGENCY reporter. The conventions and rituals governing the search for the reincarnated child that have been in effect for the past 200 years cannot be ignored willfully. By declaring the reincarnated child of the Panchen Lama without authorization, the Dalai Lama has gone against these historical conventions and traditional rituals, as well as the wishes of the Tibetan people, including those in religious circles. The declaration is certainly illegal and invalid. Since the Dalai is now mainly engaged in political activities aimed at splitting the motherland, and has become the head of a splittist group, he is even more unqualified to declare the reincarnated child of the patriotic and devout 10th Panchen Lama."

Tibetans 'Repudiate' Act

OW2005140395 Beijing XINHUA Domestic Service
in Chinese 1750 GMT 19 May 95

[By RENMIN RIBAO and XINHUA reporters]

[FBIS Translated Text] Lhasa, 19 May (XINHUA) — On 19 May, noted patriotic figures and people of the upper stratum of the religious circles in Tibet held forums to repudiate, with personal experiences and a host of facts, the Dalai Lama's act — which is illegal and invalid — of confirming a boy in India as the reincarnation of the Panchen Lama. They said that they resolutely support the attitude expressed by the State Council's Bureau of Religion spokesman, resolutely take the stand of safeguarding national sovereignty and Tibet's traditional Buddhist interests, and make contributions to the reunification of the motherland, national unity, and long-term stability in Tibet.

Jimzhong Gyaincain Puncog, regional committee vice chairman of the Chinese Peoples' Political Consultative Conference [CPPCC] and former local government official, said during a forum: "I have worked together with the 14th Dalai Lama. I was a member of the entourage of chief representative Ngapoi, who signed the Agreement on the Peaceful Liberation of Tibet. Later, I had contact with the 10th Panchen Lama for many years. I know very well that although the 10th Panchen Lama and the 14th Dalai Lama are both Tibet's living Buddhas, the road they follow is entirely different. Throughout his entire life, the Panchen Lama was patriotic, worked very hard to safeguard the reunification of the motherland, enhance national unity, spread Tibetan Buddhism, and promote Tibet's prosperity and progress. On the contrary, the Dalai Lama has been living in a foreign country for many years, engaging in the activities of splitting the motherland and undermining national unity. This time he again meddled in the work of finding an reincarnated child of the Panchen Lama. What he did is illegal and invalid."

Lamin Solon Lenchu, Tibet Autonomous Regional Committee vice chairman of the Chinese People's Political Consultative Conference [CPPCC], who used to be a secretary to the 10th Panchen Lama, said: "All of us present here are witnesses of history. I am a native of Xigaze in Houzang or Rear Tibet [old Tibet consisted of four regions — Kang, Wei, Zang and Ngari — the combined area of Kang and Wei in roughly the eastern one third of Tibet, was called Qianzang or Front Tibet, and the combined area of Zang and Ngari in roughly the western two thirds of Tibet, was called Houzang or Rear Tibet]. From 1955 to 1960, I was a secretary to the 10th Panchen Lama, spent

a great deal of time with Master Panchen, and often had heart-to-heart talks with him. He has left a deep impression on me with his patriotic spirit and his love for Tibetan Buddhism. My elder brother Lamin Yixi Chuchen, one of the principal responsible persons of the former Panchen Kanpo Lija [highest administrative committee headed by the Panchen Lama], took part in the search for and installation of the 10th Panchen Lama. At that time, while the Panchen Kanpo Lija found the reincarnated child of the Ninth Panchen Lama in Qinghai, the Gexia Government [former Tibetan local government] headed by the Dalai Lama, alleged that it had also found the Panchen Lama's incarnation in Tibet. So, we insisted on reporting the matter to the Kuomintang's central government. With the approval of acting President Li Zongren, the reincarnated child found in Qinghai was formally installed; and the Gexia Government had to acknowledge the 10th Panchen Lama's legitimate status." He said: "Anyone with a little knowledge about the history of Tibet knows that neither any panchen lama nor any dalai lama will obtain his legal position unless his installation is reported to and approved by the central authorities."

Living Buddha Sengqen Losang Gyaincain, standing committee vice chairman of the Tibet Autonomous Regional People's Congress, said: "The Dalai Lama, ignoring the central government, made the unauthorized declaration on the Panchen's reincarnation, which goes against religious rituals and historical conventions. As a living Buddha from the Zhaxi Lhunbo Lamasery of Tibetan Buddhism, I know that the Panchen and Dalai hold equally important positions in terms of Tibetan Buddhism." Living Buddha Sengqen, who is a member of the group searching for the reincarnated child of the 10th Panchen Lama, said: "For the past six years, the central and local governments have supported and strived to speed up the search for the reincarnated child, and lamaseries across the country have prayed for an early reincarnation. At such a critical moment, the Dalai, currently in exile, made an unauthorized declaration that a child in Tibet is the Panchen Lama's reincarnation. His act has seriously disrupted the normal process of the task of searching for the reincarnated child. The Dalai has openly violated religious rules to suit his political purposes, and his act has hurt the feelings of the broad masses of Buddhist worshipers."

On the historical system for the living Buddha's reincarnation, Lhalu Cewangdoje, Tibet Autonomous Regional CPPCC Committee vice chairman and the Tibetan Army commander of the former Tibetan local government, said: "The two Dalai Lamas — the Eighth and the 12th Dalai — had been chosen from my ancestors. They were chosen through the lot-drawing process

and then approved by the then central government of the Qing Dynasty, in accordance with historical conventions. Therefore, nobody is empowered to confirm the reincarnation of a great living Buddha. The statements made by the State Council's Bureau of Religious Affairs spokesman and by the Buddhist Association of China president conform to history. So, I endorse them completely."

Bilung Baima Dandzim, a living Buddha in the Zhaxi Lhunbo Temple and vice chairman of the Xigaze Prefectural CPPCC Committee, said: "As a living Buddha of the Zhaxi Lhunbo Temple, which is the Panchen Lama's home temple, I am fully qualified to prove that Panchens must be approved by the central government. The Dalai himself does not have the right to determine a reincarnated child of the Panchen Lama. I know that over the past six years, the central and regional governments have greatly supported the Zhaxi Lhunbo Temple in searching for the reincarnated child. Occasionally, the temple has asked the regional authorities for money and vehicles, and was never turned down. We worry that the illegal intervention by the Dalai will yield an unwarranted impact on the search for the Panchen's reincarnation."

Dezhub Jambai Losang, an influential living Buddha in Lhasa City, said: "While we Tibetan Buddhist believers and other Tibetan people are looking forward to an early reincarnation of the Panchen, Tibet has ushered in an upsurge of construction, and the regional people's congress and the regional CPPCC committee are holding their annual sessions in Lhasa, I am shocked to learn that the Dalai Lama, in exile, has declared a reincarnated child of Panchen. What the Dalai did was violate historical conventions and religious rituals. He was just attempting to sabotage Tibet's current excellent situation of stability, unity, construction, and development. At a time when we are achieving success in the search for Panchen's reincarnated child, Dalai's creation of obstacles is a misfortune to both the Buddhist monks and the laymen here. We hope that the reincarnated child can be found in accordance with historical conventions and religious rituals."

Among those present at today's discussion were Pagbalha Geleg Namgyai, National People's Congress Standing Committee vice chairman; Samding Doje Pamo Deqingquzhen, Tibet autonomous regional people's congress standing committee vice chairman; several vice chairmen of the Tibet autonomous regional CPPCC committee, including Jangzhong Zhaxi Doje, Tangmai Gongjue Baimo, Qaba Gaisang Wangdi, Duoizha Renzengqinmo Jiangbailuosang, and Yabxi Wangdai; and living Buddhas and eminent monks from various parts of Tibet.

Tibetans Support Beijing's Stand

OW1905224995 Beijing XINHUA in English
1744 GMT 19 May 95

[FBIS Transcribed Text] Lhasa, May 19 (XINHUA) — Noted personages and people from the higher levels of religious circles in Tibet voiced their support here today for the stand of the central government on Dalai Lama's recent act, pledging to work hard to safeguard the unification of the motherland and long-term stability of Tibet.

At a discussion held in Lhasa, capital of the Tibetan Autonomous Region, the participants refuted Dalai Lama's declaring the "reincarnation of the Panchen Lama," saying that it is illegal and invalid, runs counter to the Tibetan Buddhist traditions and seriously disrupts the procedure of confirmation in history.

Jimzhong Gyaincain Puncog, 70, who had participated in negotiations between the central government and the Tibetan local government in 1951, worked with the Dalai Lama and had contacts with the Panchen Lama for many years, said "those two, both being religious leaders, have taken two different paths."

Puncog highly praised Panchen Lama's patriotic acts and his great efforts in safeguarding national unity, the reunification of the motherland and in promoting Tibetan Buddhism.

"The Panchen Lama contributed all his life to the prosperity and progress of Tibet, while Dalai has been engaged in separatist activities for years abroad and meddled in the reincarnation of the Panchen Lama this time," he said, calling Dalai's act "illegal and invalid."

Lamin Solon Lenchu, who used to be a secretary of the tenth Panchen Lama from 1955 to 1960, said "Panchen Lama has left a deep impression on me with his patriotic spirit and his love for the Tibetan Buddhism."

Lenchu's elder brother had also worked with the late Panchen Lama and attended the whole process of installing Panchen on the holy throne.

He recalled how they reported to the central government of Kuomintang when they found the reincarnated child of the Ninth Panchen in Qinghai Province. With the approval of President Li Zongren at that time, even the Gexia government had to acknowledge the legal status of the tenth Panchen, although they claimed to have found a reincarnated boy in Tibet.

"People with a little historical knowledge would reach the conclusion that not only Panchen, but also Dalai have to get the approval from the central government to obtain a legal position," he noted.

Living Buddha Sengqen Losang Gyaincain, Vice-Chairman of the Standing Committee of the Tibetan Regional People's Congress, said that Dalai Lama, ignoring the central government, made the unauthorized declaration, which goes against religious rituals and historical conventions.

Sengqen, who is from the Zhaxi Lhunbo Lamasery and a member of the searching group for the reincarnated child of Panchen, said that "As a living buddha, I am fully aware that Panchen and Dalai hold equally important positions in terms of Tibetan Buddhism."

For the past six years, the central and local governments have supported and strived to speed up the searching for the reincarnated child and lamaseries across the country have expected an early reincarnation, Sengqen said.

"At such a critical moment, Dalai's has seriously disrupted the normal process of the task. His act, intended for his own political purposes, has hurt the feelings of the broad masses of buddhist worshippers," Sengqen said.

Lhalu Cewangdoje, Vice-Chairman of the Tibetan Regional Committee of the Chinese People's Political Consultative Conference (CPPCC), said that two Dalai Lamas had been chosen from his family in history. They were the 8th and 12th Dalai, who were reincarnated by lot-drawing and then approval by the then governments of the Qing Dynasty, in accordance with historical conventions.

Therefore, "Nobody is empowered to confirm the reincarnation of a great living buddha," said Lhalu, who used to be a commander of the former army of the local government.

He added that he fully endorses the stand as stated by the spokesman of the Bureau of Religious Affairs under the State Council and president of the Buddhist Association of China.

"As a living Buddha, I can well prove that Panchens must be approved by the central government," said Bilung Baima Dandzim, a living buddha in the Zhaxi Lhunbo Temple and Vice-chairman of the Chinese People's Political Consultative Conference of Xigaze prefecture.

"Dalai himself doesn't have the right to determine a reincarnated child of the Panchen Lama," he said. "I know that over the past six years the central and regional governments have greatly supported the temple in searching the reincarnated child."

Occasionally, the temple asked the regional authorities for money and vehicles, and was never turned down.

he said. "We worry that the illegal intervention of Dalai will affect the search of the reincarnation of Panchen."

Another influential living buddha in Lhasa City, Dezhub Jambai Losang, said that he was shocked to learn that the Dalai Lama in exile had declared a reincarnated child at a time "when we Tibetan Buddhist believers and other Tibetan people are looking for the reincarnation of Panchen."

"What he (Dalai) did violated historical conventions and religious rituals. He was just attempting to ruin the stability and unity of Tibet," Losang said. "We hope that the reincarnated child can be found in accordance with historical conventions and religious rituals."

Among those present at today's discussion was Pagbalha Geleg Namgyai, Vice-Chairman of the National People's Congress, along with other government and religious leaders.

Raidi Criticizes 'Splittist' 'Clique'

OW1905115795 Lhasa Tibet People's Radio Network in Mandarin 1400 GMT 18 May 95

[FBIS Translated Excerpt] On the afternoon of 17 May, Raidi, executive deputy secretary of Tibet Autonomous Regional CPC Committee and chairman of Tibet Autonomous Regional People's Congress Standing Committee, discussed the government work report delivered by Gyaincain Norbu, chairman of the Tibet Autonomous Regional People's Government, with deputies of Nagqu Prefectural People's Congress and spoke on the issues of economic construction and stability. [passage omitted]

Comrade Raidi particularly stressed the need to fully understand the relationship between stability and development. He said we should adhere to the principle of laying equal stress on material civilization and socialist ethics and earnestly promote these two important matters. Otherwise, how could we develop economically amid unstable situations?

He noted: The splittist Dalai clique has always been disrupting the unification of the motherland, national unity, and the hard-earned stability and unity under the pretense of religion and nationality in an attempt to reach its ultimate aim of splitting the motherland. Such an act is of a great fraudulent nature. Moreover, they have constantly changed their tricks and created disturbances to undermine people's morale. Recently, in particular, the Dalai has kicked up the rumpus over the issue on the reincarnated child of the Panchen Lama to confuse and poison people's minds and disturb regional stability and unity. Therefore, we should remain sober-minded and be aware that our struggle against

the Dalai clique is by no means a religious matter, but a matter of sharp and complicated political struggle and an important matter of safeguarding the state's sovereignty and the authority of the central government. Our people's deputies, particularly the broad masses of CPC members, should conduct a resolute struggle against the Dalai clique with a firm and clear-cut stand; always maintain a high degree of unity with the CPC Central Committee at all times and under any circumstances; and make their own contributions to safeguarding regional stability, unification of the motherland, and national unity.

Eighth Tibet CPPCC Standing Committee Ends

OW1905135695 Lhasa Tibet Television Network in Mandarin 1200 GMT 10 May 95

[From the "Regional News Hookup" program]

[FBIS Translated Text] [Video shows Pagbalha Geleg Namgyai, Jangzhong Zhaxi Doje, Lhamin Soinam Lhunzhub, and closeups of Basang speaking] The Eighth Session of the Standing Committee of the Sixth Tibet Autonomous Regional Committee of the Chinese People's Political Consultative Conference [CPPCC] closed in Lhasa on 10 May. Present at the meeting were Chairman Pagbalha Geleg Namgyai of the autonomous regional CPPCC committee; Vice Chairmen Basang, Jangzhong Zhaxi Doje, Lhamin Soinam Lhunzhub, Jimzhong Gyaincain Puncog, Lhalu Cewang Doje, Tangmai Gongjue Baimu, Qaba Gaisang Wangdui, Duoqizha Renzeng, Qimmo Jiangbailuosang, Yabxi Wangdui, Zhou Qishun, Xu Hongsen, and Gama Cedain; and the Standing Committee members. Present as nonvoting delegates were some CPPCC National Committee members in Tibet, including Samding Doje Pamo Deqingquzhen, and Gying Puncog Cedain; responsible comrades of the Autonomous Regional CPC Committee's United Front Work Department, the autonomous region's Nationalities and Religious Affairs Commission, and the Buddhist Association; and responsible comrades of all prefectural and city CPPCC committees.

The Eighth Session of the Sixth Autonomous Regional CPPCC Committee's Standing Committee adopted, after deliberation, a decision on the date of the Third Plenary Session of the Sixth Autonomous Regional CPPCC Committee; discussed and revised the report on the work of the Standing Committee of the Sixth Tibet Autonomous Regional CPPCC Committee; conveyed to the attendees and discussed the guidelines of the forum on local CPPCC work held by the CPPCC National Committee and the guidelines of the Third Session of the Eighth CPPCC National Committee; adopted a name list

of additional regional CPPCC committee members; approved some personnel appointments; and adopted the agenda and schedule for the Third Plenary Session of the Sixth Autonomous Regional CPPCC Committee.

Basang, vice chairman of the Autonomous Regional CPPCC Committee, presided over and addressed the closing meeting of the eighth Standing Committee session.

She said: The Third Session of the Eighth CPPCC National Committee adhered to the two principles put forward by the CPC Central Committee —the principle of seizing opportunity, deepening reform, opening up wider, promoting development and maintaining stability, and the guiding principle of seeking a unity of thinking, having the overall situation in mind, promoting coordination, and doing solid work. It grasped major issues, brought forth new ideas, sought truth, and did a solid work. It has made positive contributions to consolidating and developing the patriotic united front, safeguarding the political situation of stability and unity, promoting reform, opening up and economic construction, stepping up the building of socialist spiritual civilization, and promoting socialist democracy and legal system.

She urged the Standing Committee members to do more thinking, have more comprehension, and constantly improve their ability of participating in the administration and discussing state affairs henceforth.

Yang Chuantang Addresses Tibet Flag Guard Meeting

OW2205043795 Lhasa Tibet People's Radio Network in Mandarin 1400 GMT 18 May 95

[Report by Gesang Nima: "The First Detachment Under the Tibet Autonomous Regional Armed Police Corps Holds Mobilization Meeting To Inaugurate the National Flag Guard"]

[FBIS Translated Excerpt] On the afternoon of 17 May, the hall of the Tibet Autonomous Regional Armed Police Corps First Detachment was filled with a solemn atmosphere. The broad masses of armed police officers and men attended the inaugural, mobilizing, and oath-taking meeting of the solemn and sacred National Flag Guard. The chairman of the meeting announced the opening of the meeting amid solemn national anthem. Yang Chuantang, deputy secretary of the Tibet Autonomous Regional CPC Committee and executive vice chairman of the Tibet Autonomous Regional People's Government, attended the meeting and delivered an important speech on behalf of the regional party committee and government:

[Begin Yang recording] On behalf of the regional party committee and government, I extend my heartfelt greetings and highest regards to all members of the National Flag Guard and over 2,000 officers and men of the First Detachment of the Tibet Armed Police Corps, and my heartfelt gratitude to the two comrades from the Tiananmen National Flag Guard for assuming the training! [applause] This year marks the 30th anniversary of the founding of the Tibet Autonomous Region. To display our tremendous achievements in the cause of revolution and construction over the past 30 years, to publicize the fact that only by upholding the CPC's leadership and following the socialist path will Tibet have a bright and glorious future, and to expose the Dalai clique's plot of splitting the motherland, the regional party committee central authorities decided to hold grand celebrations and a solemn flag-raising ceremony on the 30th anniversary.

The national flag is a symbol of our great motherland as well as a source of power that pulls all nationalities in this country together; therefore, it is also a symbol of the great unification of all nationalities. Holding a solemn flag-raising ceremony in the celebrations for the 30th founding anniversary of the Tibet Autonomous Region will kindle all nationalities' enthusiasm for patriotism, which is of very important and practical significance to fighting splittism and safeguarding the unification of the motherland. It is with the full trust of leaders at various levels and the party committee of the Headquarters of the Chinese People's Armed Police Force in the First Detachment that the sacred and [words indistinct] flag-raising mission is given to the detachment. This is your glory, and you should take pride in it. Having been asked to accomplish an arduous task at a high standard during a short training period, you should successfully fulfill the flag-raising mission and [words indistinct] with efforts. I hope the leaders of the First Detachment and the entire National Flag Guard will be fully aware of the significance of the success of this training, overcome all difficulties, successfully complete the training and carry out the flag-raising mission, so as to display fully the elegant demeanor of the Armed Police Corps as a powerful and civilized army fighting for a just cause and to inject new strength into the [celebrations]. [end recording] [passage omitted]

Tibet's Service Industry Records 'Rapid Growth'

OW2205101795 Beijing XINHUA in English 0837 GMT 22 May 95

[FBIS Transcribed Text] Lhasa, May 22 (XINHUA) — The service sector in the Tibet Autonomous Region, traditionally a farming and pastoral area in southwest China, recorded rapid growth last year.

The sector yielded an output value of nearly 1.6 billion yuan in 1994, registering a 12 percent increase over the previous year. The value accounted for nearly 40 percent of the region's GNP.

Local officials attributed the boom to years of efforts to upgrade infrastructure facilities. Now the length of highways opened to traffic in the region has reached more than 22,000 km. The capacity of long-distance and inner-city telephones has recorded a three or four times rise compared with the figure for 1985.

In addition, local governments are pouring increasing amounts of investment into the service sector. Last year, the total investment in Tibet's basic construction

topped two billion yuan, while that in its service sector accounted for more than 60 percent.

The service industry has greatly boosted local commodity circulation. Various types of markets have been mushrooming in the localities. The retail sales volume for the region topped two billion yuan last year, up 14 percent.

Statistics show that the number of service businesses in Tibet has reached more than 200,000. The sector has been growing at an average speed of some ten percent, two or three percentage points higher than that of the local GNP.

Qian Qichen Addresses Taiwan Representatives**On 'One Country, Two Systems'**

OW2105125895 Beijing XINHUA Domestic Service
in Chinese 1201 GMT 19 May 95

[By Duanmu Laidi (4551 2606 0171 1229) and Zhu Zhide (2612 3112 1795)]

[FBIS Translated Text] Beijing, 19 May (XINHUA) — The fifth national conference of representatives of Taiwan compatriots opened at the Great Hall of the People today. Li Ruihuan, member of the Standing Committee of the CPC Central Committee Political Bureau and chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC] attended the conference.

Vice Premier Qian Qichen attended the conference and spoke. He said: As the day when China resumes the exercise of sovereignty over Hong Kong and Macao draws near, the concept of "one country, two systems" will soon be realized. On the eve of the Spring Festival this year, General Secretary Jiang Zemin made an important speech entitled "Continue to Promote the Reunification of the Motherland." This is an important declaration that the CPC is striving to resolve the Taiwan question and realize the peaceful reunification of the motherland under the new situation. The speech not only further expounded the essence of Deng Xiaoping's concept of "peaceful reunification, one country and two systems" but also put forward constructive proposals for breaking the political deadlock between the two sides of the strait at the present stage, and for pushing forward the development of cross-strait relations and the peaceful reunification of the motherland. The speech embodies the position of respecting history, respecting reality, adhering to principles, and seeking common ground while reserving differences the CPC has taken in order to realize the peaceful reunification of the motherland. The speech constitutes another major step taken by our party in order to, proceeding from the overall national interest, end the state of hostility between the two sides at an early date and to enhance cross-strait mutual trust and cooperation. Therefore, it has received the universal attention and warm welcome of the people on both sides of the strait.

Qian Qichen pointed out: Taiwan has been an inalienable part of China since ancient times. The compatriots in Taiwan, like those on the motherland's mainland, are all people of Chinese descent and the sons and daughters of the Chinese nation. They possess the patriotic tradition of loving the motherland, loving their native land, and opposing aggression and oppression. For many years, in order to safeguard national unifica-

tion and territorial integrity, the masses of compatriots in Taiwan have waged a heroic, unyielding, and life-and-death struggle against the colonialists, recording their heroic and moving deeds in history. This year is the 100th anniversary of the signing of the Shimonoseki Treaty of national betrayal and humiliation. The Chinese people will never forget this humiliating page of history and will also never forget the bloody struggle waged by Taiwan compatriots to protect their country and resist the Japanese colonial rule. Due to the reasons known by all, Taiwan and the motherland on the mainland are still separated. Realizing the complete reunification of the motherland and promoting the Chinese nation's overall invigoration remains the sacred mission and noble objective of all Chinese, including the compatriots in Taiwan.

Qian Qichen said: In the new historical period, the Taiwan compatriots who are living in the mainland of the motherland and are active in various trades and professions there have made outstanding contributions to quietly and industriously building socialism. The masses of Taiwan compatriots, carrying forward and developing the fine tradition of patriotism and having overcome many difficulties, have done much to promote cross-strait exchanges, develop cross-strait relations, and promote the process of the peaceful reunification of the motherland, and they are still playing a great role in this respect. He said: Federations of Taiwan compatriots at all levels, being patriotic people's organizations of Taiwan compatriots residing in the mainland of the motherland, are organizations led by the CPC. They have played a unique role as a bridge in linking the party and the government with Taiwan compatriots on both sides of the strait, as well as with those residing overseas. In the current new situation, federations of Taiwan compatriots at all levels will be faced with more difficult tasks.

In conclusion, Qian Qichen said: China's reunification is the inevitable trend of the development of history. We are fully confident of this. Peace and development remain the two main currents of the contemporary world. Changes in the international situation have provided an opportunity for Chinese on both sides of the strait, and have also presented them with a challenge. We appeal to the Chinese on both sides of the strait to join hands, do away with differences, trust and cooperate with one another, seize the current opportunity, meet the challenge, jointly undertake the historical mission for national reunification and invigoration, and work together for the reunification of the motherland and invigoration of the Chinese nation.

Liang Taiping, vice president of the All-China Federation of Taiwan Compatriots [ACFTC], delivered the

opening address. He said: This conference is being held not long after the publication of General Secretary Jiang Zemin's eight-point proposal on the peaceful reunification of the motherland. The general secretary's speech caused strong repercussions in Taiwan, Hong Kong, Macao, among people of Chinese origin residing abroad, and even in the international community. On the basis of gradual development in recent years, a new situation has emerged in cross-strait relations. The representatives of the Taiwan compatriots in various provinces, autonomous regions, and municipalities directly under the central government have gathered in Beijing to offer suggestions for bringing about a new situation in the work of the federation and for promoting China's reform, opening to the outside world, and modernization drive, as well as the great cause of the reunification of the motherland.

On behalf of the fourth council of the ACFTC, Zhang Kehui, president of the ACFTC, delivered a work report at the conference. He said: Since the fourth representative conference of all Taiwan compatriots in China held in May 1991, new progress has been made in the work of the ACFTC. At present, 25 Taiwan compatriots are deputies of the National People's Congress and 59 of them are members of the National Committee of the Chinese People's Political Consultative Conference. In the past four years, they have submitted 225 proposals, suggestions, and motions, and have taken the initiative in participating in the administration of state affairs in order to invigorate the Chinese nation and reunify the motherland. Federations of Taiwan compatriots at all levels have launched activities through various channels, in various fields, and at different levels to promote friendship with their friends and relatives on the island, thus strengthening ties with various parties, social organizations, and public figures in Taiwan. According to incomplete statistics, federations of Taiwan compatriots at all levels have received more than 60,000 Taiwan compatriots from the island in the past four years. During the same period, federations of Taiwan compatriots have organized five delegations, totalling 130 people, to visit Taiwan and promote exchanges there. In cross-strait trade and economic exchanges, federations of Taiwan compatriots have played a special role as an association of people of the same native place, serving as a link, providing consultation services, and bringing in a number of Taiwan-funded enterprises. According to statistics, 231 Taiwan-funded enterprises with a total capital of 1.4 billion yuan have been brought in.

Huan Yushan, vice chairman of the All-China Federation of Industry and Commerce; Cai Zimin, chairman of the Central Committee of the Taiwan Democratic Self-Government League; and Lin Shengzhong, direc-

tor of the council of the Taiwan Association of Fellow Students, spoke at the conference and extended congratulations to the conference.

It has been learned that the main items on the agenda of the five-day conference were examining and approving the work report of the fourth council of the ACFTC, setting future tasks for the ACFTC, and electing the fifth council and its leading organs.

Cheng Siyuan, vice chairman of the NPC Standing Committee; Wang Zhaoguo and Wan Guoquan, vice chairmen of the CPPCC National Committee; and responsible persons of the relevant ministries, commissions, democratic parties, and mass organizations attended the conference. The 240 representatives of Taiwan compatriots who attended the conference came from 29 provinces, autonomous regions, and cities.

On Cross-Strait Reunification

OW1905143795 Beijing XINHUA in English
1420 GMT 19 May 95

[FBIS Transcribed Text] Beijing, May 19 (XINHUA) — China's Vice-Premier Qian Qichen today urged the Chinese people on both sides of the Taiwan Straits to promote co-operation and strive for an early reunification of the country.

Addressing the fifth national conference of the All-China Federation of Taiwan Compatriots today, Qian said he is confident that the reunification of China is an inexorable trend in the development of history.

Taiwan has been an inseparable part of China since ancient times, and it is a historical task for all the Chinese people, including the Taiwan compatriots, to reunite the country, Qian said.

Early this year, Jiang Zemin, general secretary of the Central Committee of the Communist Party of China (CPC), put forth eight propositions on the Taiwan issue. Qian said that the propositions are constructive and symbolize another major step taken by the CPC to increase mutual confidence and co-operation between the two sides of the Straits.

The vice-premier said that the All-China Federation of Taiwan Compatriots is an important organization which promotes communication between the Chinese government and Taiwan compatriots both at home and abroad. He said he expected the federation to play a greater role in the reunification cause.

According to Zhang Kehui, president of the federation, since the organization's fourth national conference in 1991, it has made remarkable progress in expanding relations between people on the mainland and in Taiwan.

The federation at both the central and local levels has hosted over 60,000 compatriots from Taiwan. And the national federation organized 130 people in five groups to visit Taiwan over the past four years.

Meanwhile, the federation has also promoted economic and trade links between the two sides of the Straits, helping the establishment of 231 Taiwanese-funded projects on the mainland, with a total investment of 1.4 billion yuan.

ARATS, SEF Cross-Strait Talks Set for July

*OW1905135195 Beijing XINHUA in English
1343 GMT 19 May 95*

[FBIS Transcribed Text] Beijing, May 19 (XINHUA) — The Beijing-based Association for Relations Across the Taiwan Straits (ARATS) and the Taiwan-based Straits Exchanges Foundation (SEF) have agreed to hold their second round of top-level talks here in mid- or late July.

Before that, three rounds of preliminary consultations will be held.

On May 18 and 19 SEF sent letters to ARATS suggesting that the first two rounds of preliminary consultations be held in Taipei. It also suggested that the next round of top-level talks be held in Taipei [Taipei], and preliminary consultations held on the mainland.

Responding to SEF today, ARATS proposed that the first round of preliminary consultations for the coming top-level talks be held from May 27 to 28. For that, a 13-member delegation from ARATS will go to Taipei and return on May 29.

ARATS offered a list of members of the delegation, which include ARATS Vice-President Tang Shubei and Secretary-General Zhang Jincheng, along with two deputy secretary-generals and four other members. In addition, five journalists will go with them.

Wang Daohan, president of ARATS, and Ku Chen-Fu, SEF chairman, held their first face-to-face talks two years ago.

Reportage on Li Teng-hui's Planned U.S. Visit

Negotiations Continue 20 May

OW2005101995 Taipei CNA in English
0958 GMT 20 May 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, May 20 (CNA) — Foreign Ministry spokesman Rock Leng said Saturday [20 May] that the Republic of China [ROC] and the United States are continuing negotiations over president Li Teng-hui's proposed U.S. visit, but said Taipei has not proposed a transit stop for Li.

"The ROC Government has not yet received any formal announcement from the Clinton administration regarding Li's visit," Leng said.

White House press secretary Mike McCurry said on Friday that a transit for Li is under consideration so that he can deliver an address at Cornell University, where Li got his doctoral degree in agronomy in 1968.

McCurry's statement is seen as a signal of policy shift by Washington, which has stonewalled since last year on a call for President Li to go to his alma mater in June to give a speech. The State Department officials repeatedly ruled out a U.S. visit request for Li despite the support the ROC has won in the U.S. Congress.

Commenting on reports that the White House will release a formal announcement two days before Li's trip, Leng said the Foreign Ministry "is not clear when and through what channel the Clinton administration will make the announcement."

He urged the Clinton administration not to worry about Li's U.S. visit as the trip will help promote bilateral economic and cultural ties.

Paper Says Clinton Approves

OW2105123895 Tokyo KYODO in English
1221 GMT 21 May 95

[FBIS Transcribed Text] Hong Kong, May 21 KYODO — U.S. President Bill Clinton has approved a private six-day visit by Taiwan President Li Teng-hui, the CHINA TIMES EXPRESS in Taipei reported Sunday.

The daily said Clinton has ordered the State Department to issue a visa and Li's visit in early June will be formally announced Monday.

Quoting authoritative sources in Washington, the EXPRESS said the state department relayed news of Li's trip to the Taiwan representative in the U.S. on Friday and to the Chinese Government on Saturday.

Lee will be visiting the U.S. at the invitation of Cornell University in New York, his alma mater, but his current itinerary covers just three days from June 8.

Both the U.S. Senate and the House of Representatives have overwhelmingly adopted a resolution in favor of Li's private trip to the United States.

Official Says U.S. Agrees

OW2205093095 Taipei CNA in English
0846 GMT 22 May 95

[By Bill Wang and Sofia Wu]

[FBIS Transcribed Text] Washington, May 21 (CNA) — Nat Bellocchi, chairman of the American Institute in Taiwan (AIT), said Sunday [21 May] the US Government has agreed to a visit by Republic of China [ROC] President Li Teng-hui to Cornell University in Ithaca, New York next month.

During a reception at Twin Oaks, the former residence of the ROC ambassador in the US, Bellocchi told reporters that Li will be able to make a private visit to his alma mater in June, but some technical details have yet to be worked out.

Bellocchi said the Clinton administration is scheduled to announce its decision on Monday.

Bellocchi's statement indicated that US President Bill Clinton did not accept a State Department suggestion that Li's visit be considered a transit stop.

"This means Li will be able to come to Cornell University directly and need not make a stopover in a third country," an observer said, adding it marks a diplomatic breakthrough for Taipei.

Benjamin Lu, ROC representative to the United States, was also present at the gathering, but he would not make any comment on the reported US government decision.

Lu clarified that President Li has never broached a US visit. "It is Cornell University that has invited Li to deliver a speech on Taiwan's development experience," he explained.

President Li received a doctorate in agronomy from Cornell University in 1968.

Lu said the ROC representative office in Washington receives at least one invitation a month from US universities, trade associations and other social organizations welcoming Li's visit.

Lu added he has been optimistic about Li's visit because American public opinion supports such a visit.

Sources said Kent Wiedemann, deputy principal assistant secretary of state informed Bellocchi on Friday that the Clinton administration has agreed to Li's private visit to his alma mater. Bellocchi then informed Lu of the US decision, the sources added.

However, both Bellocchi and Lu would not confirm such reports.

James Lilley, a former US ambassador to Mainland China, said if the reports are true, he will congratulate Clinton for making a wise decision.

The US State Department originally only agreed to allow Li a transit stop for convenience and safety reasons. However, both the US Senate and the House of Representatives passed resolutions with an overwhelming majority earlier this month urging Clinton to welcome Li's private visit to America. Many influential American newspapers, including the NEW YORK TIMES, WASHINGTON POST and CHICAGO TRIBUNE, also ran editorials supporting Li's visit.

Under strong congressional and public opinion pressure, Clinton finally gave a green light to Li's visit on Friday.

Bellocchi said the sense of US Congress has prompted the Clinton administration to review its policy on the issue and make a timely adjustment.

AIT is a non-official organization founded by the US authorities to handle exchanges with the ROC in the absence of diplomatic relations between the two countries.

Ministry Refuses Comment

OW2205101395 Taipei CNA in English
0947 GMT 22 May 95

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, May 22 (CNA) — The Ministry of Foreign Affairs Monday refused to comment on reports that the US Government has agreed to President Li Teng-hui's visit to his alma mater Cornell University in Ithaca, New York in June.

"We cannot comment on the issue until the US Government makes a formal announcement," ministry spokesman Rock Leng said at a news conference.

Nat Bellocchi, chairman of the American Institute in Taiwan (AIT), told CNA Sunday during a reception at Twin Oaks in Washington, D.C., the former residence of the Republic of China [ROC] ambassador to the United States, that the Clinton administration will soon give a green light to Li's visit to Cornell University.

AIT is a non-official organization founded by the US authorities in 1979 to handle relations with Taiwan

in the absence of diplomatic ties between the two countries.

Under US law, Bellocchi is not an American Government official. "So we cannot make any response based on Bellocchi's statement," Leng noted.

He also declined to reveal whether Taipei and Washington have discussed the possibility of Li's visit to his alma mater in June. President Li received a doctorate in agronomy from Cornell University in 1968. The Ivy-League school has repeatedly invited Li to speak on Taiwan's development experience since he assumed the ROC presidency in 1988.

Li Views Visit

OW2205110295 Taipei Voice of Free China
in English 0200 GMT 22 May 95

[FBIS Transcribed Text] ROC [Republic of China] President Li Teng-hui said Saturday [20 May] that his visit to the United States is to bring international attention to ROC's existence in Taiwan. He said, and these are his words, we have to let the entire world recognize the existence of the Republic of China. This will be our most remarkable achievement. Li also said the recent U.S. congressional resolution urging the Clinton administration to allow his visit will be a sign of this recognition. If the decision is made to allow the trip, it will mark a significant shift by Washington, which has stonewalled since last year on Li's request to go to Cornell in upstate New York on 9 June to give a speech.

Li said such a visit will be only a minor episode in his life, but it delivers an important, symbolic message. It will also highlight the ROC's existence even though Peking [Beijing] has spared no effort to block Taiwan's participation in major world organizations and activities. As Taiwan becomes stronger economically and increasingly democratic, Li said, Peking's effort to isolate Taiwan will ultimately fail. Li said he not only hopes to visit the United States but other countries, including Japan, to remind the world of Taiwan's determination to play an active, constructive role in world affairs. Meanwhile, Ministry of Foreign Affairs spokesman Rock Leng said the government will remain cautious in handling Li's U.S. visit. The ROC is not in a position to express any opinion on the issue before the U.S. Government makes a formal announcement. But there are ongoing discussions between the two governments about a visit to Cornell University in June. Rock Leng also said he hopes the U.S. Government understands that Li's visit will not hurt U.S. interests. On the contrary, he said, Li's visit would help improve ROC-U.S. ties.

Governor Urges 'Favorable Decision'

OW2205024895 Taipei CNA in English
0125 GMT 22 May 95

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, May 20 (CNA) — Taiwan Governor Sung Chu-yu on Saturday urged the U.S. Government to make a favorable decision on the proposed U.S. trip by ROC [Republic of China] President Li Teng-hui soon so as not to erode ties between the two countries.

Sung made the remarks upon arriving at the Chiang Kai-shek International Airport from the United States where he received an honorary doctor of law degree at the Catholic University of America.

While in the United States, Sung said, he came to feel that the American people attach great importance to the U.S.-ROC relationship, and that the current policy of the Clinton administration preventing Li from visiting his alma mater, Cornell University, is out of line with the wishes of most Americans.

Opinion articles from the U.S. media, including the WASHINGTON POST and THE NEW YORK TIMES, have also strongly backed Li's political achievements and urged that a Li visit be allowed, Sung said. Sung said he believed the Clinton administration would review its policy regarding the proposed visit by President Li.

Li Expresses Gratitude for Popular Support

OW2005103695 Taipei CNA in English
0946 GMT 20 May 95

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, May 20 (CNA) — President Li Teng-hui Saturday [20 May] expressed his heartfelt gratitude for all the support his fellow countrymen have given him over the past five years.

Delivering a speech in Taichung during an inspection tour of central Taiwan, Li said with full popular support, the government has managed to overcome a series of difficulties and complete sweeping constitutional reforms to fulfill the ideal of "putting sovereign power in the hands of the people."

Li added that with the concerted effort of the government and the people, the Republic of China [ROC] has managed to make breakthroughs in pragmatic diplomacy and let the world acknowledge and respect its existence in Taiwan.

"With a consensus of all fellow citizens, the government has managed to carry out its mainland policy orderly and

gradually to turn four decades of confrontation across the Taiwan Strait into peaceful competition between the two sides," Li noted.

More important, Li said, the ROC has grown stronger economically and has become more confident in continuing democratic reforms, expanding diplomatic frontiers and promoting its mainland policy.

On welfare services, Li said, the government has implemented a national health program, constructed a number of low-cost housing units for the working class and launched welfare service programs for children, women and the disabled.

"All these achievements would not have been possible without the support and effort of all fellow citizens," Li said. "On my fifth inauguration anniversary, I want to express my deepest gratitude and highest esteem for all of my fellow countrymen."

He continued that the ROC still faces tough tests and tasks on its way to join the ranks of advanced countries. "Among others, judicial reform, administrative reform and educational reform are the three most urgent tasks we must accomplish in the next few years," he said.

"Judicial reform aims to lay a solid legal framework for political and social operations to ensure the rule of law," Li explained, adding administrative reform aims to establish a comprehensive civil service system to upgrade efficiency and eliminate corruption and graft.

Education reform is also necessary to cultivate talents for service in various fields, upgrade local cultural levels and improve the quality of life here, Li said.

"It is no easy task to complete all these reforms," Li said, adding whether the ROC can sustain its economic growth and create an even rosier future in the next century hinges on its success in this regard.

"I hope all of our people will stand united and work hand-in-hand to accomplish these critical reforms with confidence and perseverance," Li added.

Government Releases Book on Li's Leadership

OW2005023695 Taipei CNA in English
0135 GMT 20 May 95

[By Flor Wang]

[FBIS Transcribed Text] Taipei, May 19 (CNA) — The Government Information Office (GIO) on Friday [19 May] released the book "Sacrifice and Struggle," a comprehensive introduction to the political philosophy of President Li Teng-hui, on the eve of the fifth anniversary of Li's inauguration.

Li was sworn in as the eighth president of the Republic of China [ROC] on May 20, 1990.

The book, comprised of photos and 49 articles culled from Li's important speeches and talks made in major meetings, inspection tours and interviews with foreign and local media over the past few years, not only is a report on Taiwan's progress under Li's leadership, but also draws a clear picture of the country's development process, the GIO said. It added that the book reflects Li's strong faith and sense of responsibility toward Taiwan and its 21 million people.

The GIO said that in addition to serving as historical evidence of Li's contribution to Taiwan, the book gives its readers a clear view of president Li's blueprint for national development.

The articles selected in the book can be classified into seven categories, ranging from "community spirit" and the "supreme power of the people," to Li's determination to carry out democratization and build Taiwan into an Asia-Pacific operations hub. In addition, the book also touches on Li's efforts in promoting pragmatic diplomacy and constitutional reforms, as well as his stress on upgrading the country's cultural development and quality of life, according to the GIO.

Poll: Majority Share 'Favorable View' of Li

OW2205025095 Taipei CNA in English
0115 GMT 22 May 95

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, May 20 (CNA) — A public opinion poll released Saturday, the 5th anniversary of President Li Teng-hui's inauguration, shows the majority of ROC [Republic of China] citizens have a favorable view of Li's reign and want him to continue as president.

The poll, conducted by the UNITED DAILY NEWS and TVBS, found that nearly 80 percent of the respondents think Li has contributed greatly during his five-year term to the promotion of economic development and democratic reforms, upgrading Taiwan's international status, and increasing social harmony. Less than 10 percent of the respondents took the opposite view.

Fifty-six percent said they had a favorable view of Li's contributions to improving cross-Taiwan strait relations, while 15 percent said they did not and 27 percent said they had no opinion on the matter.

Although Li still has not said whether he will run for reelection, 58 percent of the respondents in the poll said Taiwan would develop more smoothly only under Li's leadership, while 19 percent said Taiwan would develop

better under someone else. Seventy-five percent said they believe Li will run for reelection.

Various activities were held across the island on Saturday to celebrate the 5th anniversary of Li's inauguration, including a tea party held in Taipei by KMT [Kuomintang] Secretary-General Hsu Shui-teh. Hsu told the press that all the policies Li proposed in his inaugural address five years ago have been accomplished.

Meanwhile, at an international seminar at National Chengchi University in suburban Taipei, Raymond Tai, the deputy secretary-general to Li, together with many scholars, detailed Li's contributions toward national development.

President Li himself visited Taichung county farmers, expressing his concern for the welfare of the general public and businesses and thanking supporters for helping him celebrate the anniversary of his inauguration.

Li said that owing to the joint efforts of Taiwan citizens, the country's economy has continued to grow, the ideal of a democratic system has largely been achieved, and ties with other countries have been strengthened.

Taiwan, Beijing Agree on Preparatory Talks

OW2005023495 Taipei CNA in English
0126 GMT 20 May 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, May 19 (CNA) — Taiwan and Mainland China on Friday [19 May] agreed to hold two preparatory discussions in Taipei between late May and late June to pave the way for the second high-level meeting between the heads of the two semi-official intermediary bodies of the two sides.

The Straits Exchange Foundation (SEF) Friday afternoon forwarded a message to its mainland counterpart, the Association for Relations Across the Taiwan Strait (ARATS), suggesting that the first preparatory discussion be held in Taipei May 27-29 and the second also be held in Taipei in late June.

"Before long, we received a 'yes' response from ARATS," an SEF official said.

He said ARATS also agreed to the proposal that the third round of talks between SEF Chairman Koo Chen-fu and ARATS Chairman Wang Daohan be held in Taipei.

Koo and Wang met for the first time in a historic meeting in Singapore in April 1993, and since then seven meetings have been held to tackle technical issues arising from civilian exchanges. It has been agreed that the second summit will be staged in Beijing in July.

During the first preparatory meeting, the mainland delegation will be led by Tang Shubei, standing vice chairman of ARATS.

The upcoming Koo-Wang talks will center around the review of the agreements struck during the Singapore meeting, bilateral cultural exchanges, economic and trade affairs, Hong Kong and Macao affairs, and agricultural exchanges, according to Kao Koong-lian, vice chairman of the Mainland Affairs Council [MAC].

Kao noted that MAC Chairman Hsiao Wan-chang would like to meet Tang when he is in Taipei for the first preparatory discussion, but did not elaborate.

Police Round Up Illegal Immigrants

OW2005014395 Taipei CNA in English
0103 GMT 20 May 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, May 19 (CNA) — Eleven illegal mainland immigrants were rounded up in the northern coastal town of Nanliao in an action jointly launched by the police, the military police and the coast guard early Friday morning [19 May].

Some 20 other mainlanders were still at large, however, and police were still searching for them.

The 11 illegal immigrants were caught after the coast guard spotted an unidentified vessel on the radar screen off the northern coast late Thursday night. A marine police boat sent to the scene discovered that a fishing boat had dropped the mainlanders along the coast and then made away.

The mainland immigrants, mostly from Fujian province, told the police that they had paid the fishing boat owner between 3,000 and 4,000 renminbi (US\$363 and US\$484) each to be smuggled into Taiwan.

Ministry Comments on Response to Shipping Plan

OW1905144395 Taipei CHUNG-KUO SHIH-PAO
in Chinese 18 May 95 p 2

[FBIS Translated Text] On 17 May, the Ministry of Transportation and Communications [MOTC] said that Taiwan's offshore shipping scheme is conducive to promoting cross-strait economic and trade cooperation and exchanges, and hoped that Mainland China would try to resolve various technical problems soon, so that the offshore shipping plan, which will benefit both Taiwan and the mainland, can be implemented. The MOTC emphasized that at present, it is not necessary to lump together offshore shipping and direct cross-strait shipping.

On 16 May, Mainland China's State Council Taiwan Affairs Office spokesman commented on offshore shipping, saying that the mainland welcomes any measures favorable to promoting cross-strait economic and trade cooperation and exchanges. Spokesman of the Cross-Straits Navigational Exchange Association under Mainland China's Communications Ministry also pointed out yesterday that Taiwan's new measure (referring to the offshore shipping plan) is better than those previously devised, and that the mainland is ready to exchange views with Taiwan's shipping circles at any time. Yesterday evening, Taiwan's MOTC also voiced its views on Mainland China's direct responses to offshore shipping.

MOTC Minister Liu Chao-hsuan, Vice Minister Mao Chi-kuo, and some officials from the Navigation and Aviation Department voiced their views on Mainland China's official comments on offshore shipping. It has been learned that the 288-character MOTC press release was finalized after deliberate revision.

MOTC pointed out: Promoting an offshore shipping center conforms to the stand of promoting cross-strait economic and trade cooperation and exchange. It is hoped that the mainland can resolve various technical problems soon and complete the preparatory work to accept shipping firms' applications, so that this reciprocal new measure can be carried out soon. Taiwan is willing to communicate with the mainland through proper channels, when necessary.

MOTC added: Offshore shipping is not equivalent to direct navigation. We should not handle issues related to direct links at the current stage of offshore shipping. Discussions on direct links should be held by appropriate units at the right time.

It has been learned that when mentioning proper channels for communicating with the mainland on offshore shipping, MOTC did not mean the Ku-Wang meeting or any nongovernmental groups assigned by the government to conduct talks on the mainland. At present, a task force set up by Taiwan's National Association of Chinese Shipowners [NACS] is making preparations for a mainland visit. An NACS delegation will visit port offices and other units in the mainland to learn about Mainland China's stand and to offer a detailed explanation, so as to pave the way for securing approval for cross-strait shipping services. MOTC held that this is a kind of communications channel.

Ministry Warns of Increased Deficit With Japan*OW2005023795 Taipei CNA in English
0130 GMT 20 May 95*

[By Flor Wang]

[FBIS Transcribed Text] Taipei, May 19 (CNA) — Taiwan's trade deficit with Japan may surpass the US\$15 billion mark this year, the Ministry of Economic Affairs said on Friday [19 May].

Customs statistics released by the Finance Ministry show that Taiwan's trade with Japan hit US\$13.63 billion in the first four months of the year, with Taiwan suffering an imbalance of US\$5.72 billion, or a 15 percent increase over the same period last year.

Economic Affairs Ministry officials attributed the trade gap to the sharp appreciation of the Japanese yen since the beginning of this year, which they said has greatly increased the costs of local importers.

Despite the trade imbalance in the first four months, Taiwan exports to Japan increased 32 percent during the period, while Japanese imports here increased just 21 percent, the tallies indicate.

The local electrical-engineering, machinery, steel, and auto industries, which heavily rely on Japan for supplies of parts and components, have been the hardest hit by the strong yen, while the computer, telecommunications, bicycle and furniture industries have benefited from the yen's appreciation, the officials noted.

Taiwan Threatens Cancellation of Conference*OW2005113095 Taipei CNA in English
0856 GMT 20 May 95*

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, May 20 (CNA) — Taiwan may cancel a scheduled bilateral economic and trade conference with Japan to protest Japan's failure to appoint higher-level negotiation representatives, sources from the Board of Foreign Trade (BOFT) said Saturday [20 May].

BOFT repeated a request to Japan recently that higher-level Japanese economic officials should be appointed to the new round of negotiations, but no response has been received, BOFT officials said.

Japan turned down demands made by both BOFT and the Association of East Asian Relations (AEAR) last year to send higher-ranking officials who are directly responsible for economic affairs with Taiwan to the business and trade negotiations.

BOFT was encouraged by the recent development in the United States that Washington may change its policy

toward Taiwan and that its ban on visits by high-level ROC [Republic of China] officials may be relaxed. The US policy change may eventually impact other countries, including Japan, to follow suit, the officials said.

If the conference is held, it will be 20th of its kind since 1975. The annual conferences have been held alternately in Japan and Taiwan under the auspices of the private Taipei-based AEAR and Tokyo-based Interchange Association, with government officials from the two sides present as advisors.

In the past, the Japanese Government sent section or division chiefs to the meetings, while Taiwan sent deputy-director level officials.

The participation of low-level Japanese Government officials in the important meeting will not help improve trade relations between the two countries, they said, noting that the trade imbalance in favor of Japan has continued to worsen.

Taiwan's trade deficit with Japan is expected to top US\$15 billion this year, given the Japanese yen's sharp appreciation and Taiwan's long-standing dependence on Japanese industrial raw materials as well as key parts and components. The deficit was US\$14.57 billion in 1994, according to BOFT tallies.

Japan has been Taiwan's top import source during the past few decades and Taiwan's trade deficit with Japan has grown 2.35-fold during the past six years—from US\$6.05 billion in 1988 to US\$14.57 billion last year.

Over U.S.\$200 Billion in Foreign Trade Expected*OW2005023595 Taipei CNA in English
0146 GMT 20 May 95*

[By Flor Wang]

[FBIS Transcribed Text] Taipei, May 19 (CNA) — Fueled by the world economic rebound, Taiwan's foreign trade volume is expected to set a record high of US\$210.1 billion in 1995, the Directorate General of Budget, Accounting and Statistics predicted on Friday [19 May].

Directorate officials estimated that imports will grow 19 percent to US\$101.3 billion for the year, while exports will also increase by 17 percent to US\$108.8 billion, both breaking the US\$100 billion mark for the first time. The yearly trade surplus will thus drop to US\$7.5 billion from last year's US\$7.7 billion.

As exports rose by 23 percent in the first three months of this year, Taiwan's gross domestic product contracted a quarterly 7.02 percent growth rate, the highest level

since the second quarter in 1992, the officials said. They added that this year's consumer price index growth has been projected at 3.94 percent — lower than last year's 4.1 percent — because the prices of agricultural goods and industrial production materials have stabilized on the international market.

The officials noted that in the first quarter, industrial output grew 8 percent, outpacing the 6.6 percent growth registered by the service sector — an indication that Taiwan's manufacturing sector has regained vigor after a seven-year adjustment period.

Economic Affairs Minister Chiang To Visit Italy

OW2205024995 Taipei CNA in English
0118 GMT 22 May 95

[By Flor Wang]

[FBIS Transcribed Text] Taipei, May 20 (CNA) — Economic Affairs Minister P.K. Chiang, leading a 50-

member trade-promotion delegation, is scheduled to head to Rome at the end of the month, the ministry said Saturday.

The delegation, to be composed of high-ranking trade officials and representatives from both state-run and private enterprises, will stay three days in Rome, beginning May 28.

While in the Italian capital, Chiang will attend the inauguration ceremony of a joint Taiwan-Italy Economic Council and hold seminars with the local chamber of commerce and industry.

The mission will then leave for Milan on May 30, where they will host investment seminars and sign a letter of intent to form a business alliance with Olivetti.

Chiang will be the first cabinet-level official to visit Italy since the two countries suspended formal diplomatic ties in 1970.

Hong Kong

Reportage on 'Boat People' Clash at Camp

'Hundreds' Protest 20 May

HK2005074695 Hong Kong AFP in English
0650 GMT 20 May 95

[FBIS Transcribed Text] Hong Kong, May 20 (AFP) — At least seven security forces officers were injured in violent clashes Saturday with hundreds of Vietnamese boat people who were protesting their relocation to another detention camp, a government spokesman said.

In a major operation to transfer 1,500 Vietnamese out of the territory's Whitehead Detention Centre, some 1,000 police and correctional service officers met resistance from Vietnamese protesters.

Some 100 cannisters of tear gas were used to disperse the protesting crowd, which took position atop the roofs of several buildings in the camp, witnesses said.

Security forces, some 1,000 of them, later resorted to water cannons to hold back the protesters.

Witnesses said authorities later succeeded in removing the first batch of Vietnamese out of the camp in six trucks, with some of the Vietnamese being handcuffed.

Only 200 Vietnamese had agreed to leave the camp peacefully before the operation began.

Most of the officers suffered minor injuries in the clashes, in which Vietnamese reportedly used water hoses and buckets to counter the tear-gas attacks.

Others hit back with objects at officers trying to force them down from the camp.

Reinforcements were later called in and the situation was calmed, with most of the protesters on the rooftops being forced down.

"Tear gas was used in order to control the situation," a government spokesman said earlier.

In an apparent move to prevent lengthy protests, the 1,500 inmates of the centre were only told on Friday that they would be removed and taken to High Island Detention Centre on Saturday.

The announcement, however, triggered immediate protests as several hundred inmates began marching through the compound and staging protests on top of building roofs and water towers, the spokesman said.

A year ago, some 1,250 police and correctional service officers fired more than 500 tear-gas cannisters at protesters in the camp, resulting in the injuries of nearly 200 inmates.

An independent inquiry into the incident found that excessive violence had been used by some security officers.

'Roundup' Views Relocation

OW2005141295 Beijing XINHUA in English
1349 GMT 20 May 95

["Roundup: Vietnamese migrants in HK (Hong Kong) Resist Relocation" — XINHUA headline]

[FBIS Transcribed Text] Hong Kong, May 20 (XINHUA) — About 23 officers from the local disciplinary forces were injured in an operation to relocate the Vietnamese Migrants detained in the territory, said a TV report here tonight.

The violence broke out following an operation launched at 9:30 A.M. today to transfer the 1,500 Vietnamese migrants in Section One of the Whitehead Detention Center to the High Island Detention Center, said the report.

Over 1,000 police officers were mobilized to quench the riot and more than 100 rounds of tear gas were reportedly fired, said the report, adding that at one time two armored personnel carriers had to be mobilized to serve as a deterrent.

By the time the report is being filed, police officers are still restoring order in the detention camp, according to a spokesman from the local Government Information Services.

The spokesman said that by 6 P.M. only 870 Vietnamese migrants had been transferred from the Whitehead Detention Center to the High Island Detention Center and police officers are still locating the remaining migrants who had been hiding in other sections of the camp.

The transfer operation had met the "aggressive resistance" from both the people to be transferred and the inmates in other sections of the camp, he said.

According to the spokesman, prior to the operation, hordes of Vietnamese migrants in the camp climbed onto the rooftops of their huts and began a loud vocal protest.

When police officers and officers from the Correctional Services Department entered Section One, a large quantity of rocks, spears and other objects were thrown from adjacent rooftops in other sections, said the spokesman.

The Vietnamese migrants subsequently broke down the fences and gained access throughout Sections Two, Three and Four, he said, adding that tear gas had to be

used to prevent the escalation of violence and to protect officers on the ground.

According to the spokesman, nine officers were injured, four of them required hospitalization.

But a local TV report put the injured officers at about 23 and said that a nearby hospital had to be on a second-rate alert as the injured officers kept coming into the hospital.

However, no death cases were reported. Casualties on the part of the Vietnamese migrants are not immediately available.

The riot in the Whitehead Detention Center today was the second of its kind reported since this month. A week ago, a clash between the police officers and the Vietnamese migrants broke out following a similar transfer operation in the Whitehead detention camp.

The transfer operations were believed to aim at moving those more violence-prone people from the densely populated Whitehead Detention Center, which currently accommodates about 10,000 Vietnamese migrants, to a less crowded detention camp.

Hong Kong has long been plagued by the Vietnamese boat people problem.

In the late 1970s, hordes of Vietnamese migrants began pouring into the territory, posing a hefty financial and social burden on the territory.

Since then about 45,000 Vietnamese migrants have been returned to Vietnam under the Voluntary Repatriation Program of the United Nations High Commissioner for Refugees, which started in March 1989. Currently some 23,000 Vietnamese migrants are still remaining in Hong Kong.

The local government once vowed to clear all the Vietnamese migrants detention camps by the end of 1995. However, it later changed its timetable due to alleged difficulties in achieving the target.

The Chinese side has repeatedly urged the British Hong Kong Authorities to resolve the Vietnamese boat people issue in Hong Kong before 1997 as they should be held responsible for accepting these Vietnamese migrants.

'All-Day Battle' Detailed

HK2105062095 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 21 May 95 pp 1, 3

[By staff reporters]

[FBIS Transcribed Text] Hundreds of Vietnamese who broke out of a secure compound in Whitehead Detention Centre in an all-day battle with security forces were

hunted overnight as they hid in other sections of the camp.

About 600 detainees escaped through wire fences as more than 2,000 police, Correctional Services (CSD) and Fire Department officers moved in to transfer 1,500 screened-out asylum seekers to High Island Detention Centre.

More than 800 rounds of tear gas were fired at rioting Vietnamese, who took to the roofs of nearby huts and attacked police and CSD officers when they charged into Section One at 9.30 am yesterday.

Security forces moved almost 900 detainees — mostly women and children — during the day, but the remaining 600 fled after section fences were cut. By 11 pm, 260 of the missing 600 had been found, but 340 were still at large.

Officers planned to spend the night searching and packing the belongings of people who had already been removed from Section One.

Police may use dogs to track down any detainees who are still missing in other sections of the camp this morning.

At least 127 police and 41 CSD officers were injured by barrages of bricks and spears during the operation. Police said 27 Vietnamese were injured.

Correctional Services Department assistant commissioner Bonnie Wong said the level of resistance had surpassed government expectations.

"We were moving 1,500 people, but found we were actually tackling more than 5,000 people," said Ms Wong. In the past, even the most fierce resistance had come from only one section, but yesterday every section had "lent a helping hand".

Most of the injured were suffering from heat exhaustion in sweltering temperatures, burns, the effects of tear gas or from injuries to their limbs. Twenty-three police were treated and discharged from Prince of Wales Hospital at Sha Tin.

Last night, seven police, one CSD officer and one Vietnamese remained in hospital. One officer was reported to be recovering from a heart attack although this could not be confirmed.

Police director of operations, Senior Assistant Commissioner Toby Emmet said one officer had been stabbed in the head — through his helmet — by a spear made from a sharpened iron bar.

Mr Emmet said a "considerable amount" of tear gas had been used, but declined to give a specific figure before today.

"We were caught in-between, because if we left the camp less people would be injured, (but) if we called off the operation until tomorrow, we may have faced even worse resistance," he said.

Senior Inspector Tim Lo Kam-tim, 34, said he had been hit by a spear made from a sharpened iron water pipe.

The weapon pierced his boot and cut a ligament in his ankle.

"I was working in Section One when the spear, thrown across a fence from another section, hit me," he said.

"I don't find the boat people more wild than in past camp removals, but they do have a lot of weapons like spears and stones."

One CSD staffer said he anticipated growing desperation among Vietnamese. "As they know they will be repatriated, they are choosing to use violence to resist. Our job will certainly be much more difficult in future," he said.

Refugee lawyer Pam Baker said she was "absolutely appalled" by the action and could not understand why the Government had taken a confrontational approach.

"It was as if they stage-managed it," she said. "They wanted a shambles."

"Section Eight (in Whitehead) was moved last month, quietly and peacefully, to High Island. Did they not learn anything from April 7 last year?"

After last year's raid by 1,250 police and CSD in Section Seven of Whitehead, 200 Vietnamese sought medical treatment, sparking an inquiry which found some CSD officers had used excessive violence.

Sha Tin District Board member Lee To-ming emerged from a briefing in the camp in mid-afternoon with concerns about inadequate preparations. Fences separating sections of the camp were opened up so swiftly, officers thought some wires had been cut in preparation for the removal, he said.

The almost-900 Vietnamese women and children who were loaded on to buses and moved out of the overheating camp were visibly distressed, waiting and apparently suffering effects of the gas.

But Governor Chris Patten issued a statement late last night commending the security forces on their actions.

"I look forward to receiving the reports of (yesterday's) operation at Whitehead, but in the meantime I would like to place on record my gratitude and that of the community for the courage, commitment and professionalism displayed by our police and Correctional Services

officers, who carried out their duties in the face of extreme provocation and dangerous attacks," he said.

The raid began when scores of police and CSD officers in riot gear and wielding perspex shields ran in formation into Section One on the southeastern tip of the camp from an access track known as "Nathan Road".

The first tear gas canister was fired 25 minutes later, after a hail of projectiles was hurled by Vietnamese in adjoining compounds.

Hundreds more rounds of gas, smoke grenades and pepper fog were fired throughout the day, as officers battled to prevent Section One detainees from escaping through the broken fences into surrounding sections.

During one two-minute period shortly after 2 pm, 23 overhead "cluster" gas bombs were fired.

Vietnamese on roofs hurled objects at the security forces, who in turn gradually reclaimed parts of the camp by advancing behind shields under cover of tear gas and dragging people off the hut roofs.

At one stage, the police moved two armoured vehicles into a camp thick with gas and smoke, and used water jets to disperse groups of Vietnamese on the ground.

The confrontation died down during the lunch and dinner hours, but after 6 pm the police and CSD launched a fresh assault on groups of boat people who refused to disperse. This was followed by another assault at 7.15 pm.

Tensions 'High' 21 May

HK2105072195 Hong Kong AFP in English
(653 GMT 21 May 95)

[By Robert MacPherson]

[FBIS Transcribed Text] Hong Kong, May 21 (AFP) — Tensions remained high Sunday [21 May] in a prison-like camp for Vietnamese boat people as the Hong Kong government, undeterred by a day of violent resistance, pressed ahead with the transfer of inmates.

Reinforcements of riot-ready police trooped into the Whitehead detention center to move the last of 1,500 boat people to another facility as a prelude to their repatriation to Vietnam.

Nearly 200 people, most of them police and prison guards, were treated for minor injuries and tear gas burns on Saturday when the Vietnamese, some armed with spears and rocks, put up a fierce show of resistance.

More than 900 were finally transferred to the remote High Island detention center, while police scrambled to

catch hundreds more who escaped into other sections of Whitehead.

An estimated 1,000 rounds of tear gas were reportedly fired during the skirmish.

Despite the unrest, Governor Chris Patten's top official for Vietnamese migrants, Brian Bresnihan, said the British colony — which reverts to China in July 1997 — would not flinch.

"The government remains determined to resolve the Vietnamese migrant problem as soon as possible," he said.

Officials said the remaining 200 detainees would be transferred Sunday. The operation was supposed to begin at mid-day, but was apparently being delayed by identity checks.

From outside the camp, a few kilometers (miles) from the suburb of Shatin, reporters on Sunday could see officials herding about 100 Vietnamese into rows outside one of the facility's many metal-roofed huts.

Sitting on the concrete, the boat people covered their heads with sheets of paper as protection from the hot sun.

Earlier, a small army of blue-helmeted police, some carrying clear plastic riot shields, marched into the camp. Among them was a squad of women officers.

A government helicopter flew overhead, while police launches cruised the bay that borders one side of Whitehead. High-reaching "cherry picker" platform trucks, seconded from the fire department, were on stand-by.

Refugee concern groups in Hong Kong slammed the government's operation, which was announced on Friday and immediately greeted by snap protests among Whitehead detainees, as being excessive.

A similar operation a year ago turned into a violent melee when security forces lobbed more than 500 rounds of tear gas at protesters, leaving more than 200 with stinging burns.

But Bresnihan said detainees had already been given the chance to transfer to High Island beforehand.

"Ample notice was given for Vietnamese to come forward for voluntary transfer," he said.

Hong Kong has been host to Vietnamese boat people since the end of the Vietnam war in April 1975, when anyone who crossed the South China Sea in flimsy boats was automatically guaranteed a new life in the West.

That policy was changed in the late 1980s when the majority of newcomers were deemed to be "economic

migrants" from Vietnam's chronic poverty, rather than refugees from political persecution.

Government 'Almost Lost Control'

HR2205085095 Hong Kong SOUTH CHINA
MORNING POST in English 22 May 95 p 3

(By Scott McKenzie and Stella Lee)

[FBIS Transcribed Text] Government security chiefs almost lost control in the two-day operation at Whitehead detention centre when Vietnamese planning a mass breakout attempted to breach a perimeter fence.

Extra police were rushed to the fence near Section Four of the camp to prevent the escape during what was the height of a tear-gas onslaught against Vietnamese protesters in several sections of the camp.

The boat people had already demonstrated their ability to hack through security fences and operational commanders were stretched to the limit despite the commitment of more than 2,000 officers in riot gear.

Acting Secretary for Security Ken Woodhouse said last night resistance from the Vietnamese had been "premeditated and strong" involving a high number of handmade weapons.

A total of 1,500 people in Section One of Whitehead were targeted in the operation to transfer them to the High Island camp — the first step in the move towards forced repatriation to Vietnam.

After firing hundreds of rounds of tear gas to quell vicious attacks from inmates in all sections of the camp, order was restored late on Saturday night after a full day of confrontations in which about 200 Correctional Services Department (CSD) and police officers were injured. A smaller number of Vietnamese also suffered injuries.

At one stage, massive fences separating sections in the camp were broken through, in a way Government sources say indicated they had been pre-cut.

Yesterday, CSD officers moved through the detention centre identifying Section One people who had been hiding in other sections.

A total of 147 detainees identified from Section One were peacefully transferred to High Island at about 1.30 pm.

Yesterday's operation was conducted by more than 900 CSD and police officers, and about 200 CSD officers and 30 firemen were on stand-by.

CSD senior information officer Ying Wai-chen said the task of relocating the Vietnamese yesterday had been

made more difficult because some people claimed to be from Section One when they were not.

CSD's assistant commissioner, Bonnie Wong Yuk-man, said the identification process was finished in about two hours with most of the Vietnamese being quite cooperative.

Ms Wong said they had records to track down those who gave misleading information.

She said the four-hour operation included cleaning up and mending fences damaged in Saturday's operation.

A weapons sweep is understood to have been carried out about a week ago in Whitehead, but inmates are said to still have had a huge cache of arms, including spears, knives and various missiles.

"It was very well organised, not like an army quite, but everyone seemed to have a job and know what they were doing," one official said.

"We were genuinely concerned that they were set to break out of the camp itself at one stage.

Another official said CSD officers were forced to fight their way into an accommodation hut to free a pregnant woman who had gone into labour and was being held against her will.

No details on the woman were available last night.

Many of those transferred to High Island will be deported on repatriation flights set to take place next month.

For the first time, the Government will seek to deport people on two flights — a total of about 200 people — instead of one a month.

A report on the operation by independent monitors is expected to be delivered to the Government today.

Editorial Views Cause

HK2205090095 Hong Kong HONGKONG
STANDARD in English 22 May 95 p 14

[Editorial: "Vietnamese Must Accept Time Is Up"]

[FBIS Transcribed Text] We have known for years that the problem of the Vietnamese boat people was volatile and sensitive. More and more these days, people are beginning to wonder whether it is also an intractable problem.

As if to provide added evidence for this gloomy view, it has been reported that hundreds of canisters of teargas had to be used on Saturday in order to bring an unruly mob under control so that a first group of 800 Vietnamese could be transferred to the High Island Detention Centre.

That the boat people were able to put up such spirited resistance definitely goes to show that they had outside help.

With the approach of 1997, it is becoming increasingly urgent for the territory to solve this problem.

It is well known that the vast majority of local people want to be rid of this problem as soon as possible.

It is time the government took off the kid gloves. If the boat people are not willing to accept the obvious—that they have stayed too long in Hong Kong—then they must be taught this lesson by the authorities.

We were about to add that they should also realise that there is no more hope of their being resettled elsewhere. Unfortunately, from their viewpoint, this is no longer the case.

In a display of irresponsible mischief-making, a United States politician has written an amendment calling for Vietnamese boat people to be treated as refugees. Representative Benjamin Gilman's legislation would allow US\$30 million (HK\$234 million) to be put aside to provide for the U.S. resettlement of up to 20,000 failed Vietnamese asylum-seekers.

This can only stir up added trouble. Why should the boat people want to return to Vietnam when Congress—if Mr Gilman's amendment is passed—will answer the prayers of many of the "California dreamers" in our camps?

In the meantime, refugee coordinator Brian Bresnihan is considering giving the Vietnamese less notice of repatriation clearances. Quite right too.

The practice of giving prior notice is a recent innovation and whether it is called a right or a privilege, it is sadly being abused. Knowing they were to be removed from High Island Camp earlier this year, some detainees set fire to four of the camp's huts. A Correctional Services Department (CSD) officer was stabbed.

There have also been reports in the past of resistance in our camps being organised like a military campaign. Inmates have blocked the gates, conducted drills in the middle of the night, manufactured weapons and made gas masks.

We noted in an editorial on 14 May that in the raid by the CSD and police on High Island Detention Centre on 11 May the number of casualties among the security forces vastly outnumbered those among the boat people. History repeated itself on Saturday when most of the 200 people injured were police.

We have pointed out in the past that there was a time when the police could move the Vietnamese around

from camp to camp without resorting to teargas or the use of the baton.

Those were the days when the human rights activists were not around. When the do-gooders understood that keeping their noses out of this business and letting the police get on with the job was in the best interests of the Vietnamese themselves.

So there was no confrontation between the Vietnamese and police because there were no mischief-makers around to stir things up.

The Vietnamese should take stock of their situation and accept the United Nations High Commissioner for Refugee's offer of help to resettle them in their homeland where they should go and start life anew.

Resistance Linked to U.S. Congress

HK2205085395 *Hong Kong SOUTH CHINA MORNING POST in English 22 May 95 p 3*

[By Scott McKenzie]

[FBIS Transcribed Text] American flags and pictures of President Bill Clinton found hanging in the Whitehead detention centre have confirmed the fears of officials that resistance was linked to a move in the U.S. Congress towards resettling up to 20,000 boat people.

However, their obvious support of the Clinton administration signals a lack of understanding about the Congressional proposal which is being led by Republicans and opposed by Mr Clinton's Democrats.

"If we ever had any doubts as to why we suddenly face such mainstream resistance, those doubts have been removed by what we witnessed at Whitehead," one official said.

"They (the Vietnamese) are pretty much emboldened by what is coming out of Washington.

"It is no coincidence that alongside the SOS flags and the old South Vietnamese flags flying from the rooftops were U.S. flags and pictures all over the place of Bill Clinton."

Earlier this month an amendment to a crucial finance bill was introduced by New York Republican Ben Gilman to provide for the resettlement in the U.S. of up to 20,000 of the 40,000 Vietnamese boat people in Asian detention centres.

The amendment seeks a commitment of US\$30 million (HK\$231.9 million) to be earmarked for the group's resettlement directly from Hong Kong and other ports of first asylum.

The move has prompted boat people in Hong Kong to resist efforts to repatriate them because they now believe they have a chance for resettlement in the U.S.

Both the Hong Kong Government and Washington officials have been highly critical of the congressional proposal saying it hijacked the Vietnamese repatriation programme in what was the final phase of camp clearances.

Refugees Co-ordinator Brian Bresnihan has expressed his concerns to British Embassy officials in Washington and Hanoi.

A United Nations High Commissioner for Refugees spokesman in Washington said the Republican move jeopardised the six years of work that had gone into the Comprehensive Plan of Action which governed repatriation and was to have finished by the end of the year.

"The move has given new impetus to the Vietnamese in the camps just when they had generally reached a point where they were volunteering for repatriation in good numbers."

Another repatriation official said the display of pictures of Mr Clinton in the camps showed the ignorance of the Vietnamese who were resisting on the strength of what they incorrectly believed to be a U.S. Government proposal.

"They actually believe Bill Clinton's Democrats to be behind the move in Congress when in fact his administration vehemently opposes it," the official said.

Mr Gilman claims that the refugee screening system in the region was flawed and that many thousands of people who were screened out deserve refugee status.

Frustration Said Fueled by U.S.

HK2205085695 *Hong Kong EASTERN EXPRESS in English 22 May 95 p 14*

[Editorial: "U.S. Words Fuel Viet Frustration"]

[FBIS Transcribed Text] Short of a complete miracle, such as the 1,500 Vietnamese detainees at the Whitehead detention centre forming an orderly queue at the gates with their bags neatly labelled for High Island detention camp, any attempt to move them was always going to end in chaos.

If the boat people are given no warning, there is an outcry. When they are given what some would consider reasonable notice, they use the time to organise a full-scale resistance operation.

What could be more predictable? There will probably never be any real hope of a peaceful repatriation to

Vietnam of all its exiles in Hong Kong, until that country fully recovers from the trauma of the war, and genuine guarantees are provided of safety from prosecution, and a higher standard of living for its returning citizens.

We were, however, edging closer to co-operation between the authorities and the detainees, following the Comprehensive Plan of Action (CPA) drawn up at the Kuala Lumpur conference, which agreed to forced repatriation by the end of the year for all boat people not identified as political refugees. Detainees here were accepting that ruling reasonably well, until the United States human rights worker and Congressional aide, Joseph Rees, visited the Hong Kong camps last week, denounced the screening system as flawed, and suggested that between 15,000 and 20,000 refugees would be accepted for citizenship in the U.S.

No one disputes the U.S. has a responsibility to the citizens of Vietnam, and may have the will and the means to shoulder it, but so far there is no hard and fast guarantee that they will take these people. All that exists at present is an amendment to a finance bill, suggesting that US\$30m (HK\$234m) be set aside to resettle up to 20,000 Southeast Asian boat people there. The bill has to go through many stages before it becomes law, if it ever does — hence we have the already inflamed atmosphere in the camps raised to boiling point by desperate Vietnamese, blinded to the cold realities of the situation by the mirage of a new life in the land of opportunity.

With this background to the weekend's shambles, it is a wonder that the violence and confusion did not get worse than it was. Hong Kong still has about 22,000 Vietnamese boat people in its camps, and gets virtually no help with the HK\$1bn yearly bill it costs to keep them here. China has warned that Hong Kong will no longer be a port of first asylum after 1997, so it would certainly be a tidy solution to the situation if the U.S. was to endorse that amendment to its finance bill, and we can start shipping the problem to its shores.

The true facts of the case are that the amendment is a serious embarrassment to the U.S. administration, which is a signatory to the CPA and must abide by its decision. Desperate detainees given fresh impetus by this development will resist repatriation to the last. If they are joined by more of their compatriots it will show that the U.S. has not lost its knack of making a complete mess of foreign policy in the region.

As for the boat people, they will find the truth of the saying that hope makes a good breakfast but a poor supper.

Lu Ping Leads PWC Group to Hong Kong 15 May

OW2005173095 Beijing XINHUA Domestic Service
in Chinese 1515 GMT 15 May 95

[By reporter Sun Chengbin (1327 2110 2430)]

[FBIS Translated Text] Hong Kong, 15 May (XINHUA) — Lu Ping, director of the State Council's Hong Kong and Macao Affairs Office, and deputy chairman and secretary general of the Preliminary Work Committee [PWC] of the Preparatory Committee of the Hong Kong Special Administrative Region [SAR], said today that China hoped that Britain not only would express its willingness to cooperate with China, but would also take action.

Lu Ping made these remarks while answering reporters' questions upon his arrival in Hong Kong on 15 May with Mainland members of the PWC's Political Affairs Group led by him.

Lu Ping said: The main purpose of my current Hong Kong trip is to attend meetings of the PWC's Political Affairs Group and Economic Group. I also will deliver a luncheon speech at a seminar to be held by the Economic Group. I hope I can use this opportunity to meet friends from various sectors of Hong Kong and hear their opinions. Because my itinerary was scheduled a few months ago, there will be some difficulties arranging an ad-hoc meeting between me and Lady Chen Fang Ansheng. I asked her for an appointment in Zhuhai and she said she was not available. I regret this.

Lu Ping said: I hope I can meet other senior officials of the Hong Kong British Government and that they will attend the Economic Group's luncheon meeting. I hope the Hong Kong British Government allows these government employees to meet the PWC and not impose any restrictions on such a meeting, to enhance their confidence.

On the Court of Final Appeal, Lu Ping said: We hope the British side will not take any unilateral actions, and conduct serious consultations and discussions with China according to the agreement in principle reached in 1991 between the two sides. We hope this issue will be solved at an early date.

Lu Ping said: We also hope the two financial support agreements concerning the new Hong Kong Airport will be settled soon, and hope the British side will not create any side issues. He pointed out: According to the memorandum of understanding on the airport and the agreement on the overall financial arrangements, the two financial support agreements could have been settled quickly. But the British side set extra demands,

making it difficult to solve the issue. We do not like to see the future SAR Government take over a bottomless financial expenditure plan in 1997.

JLG Leader Blasts British Behavior on Court

HK2005015695 Beijing ZHONGGUO XINWEN SHE in English 1349 GMT 19 May 95

[FBIS Transcribed Text] Hong Kong, May 19 (CNS) — Just days ago, Chris Patten, Governor of Hong Kong, and Hugh Davis, leader of the British side of the Sino-British Joint Liaison Group (JLG), via the mass media attempted to exert pressure on the Chinese side on the Court of Final Appeal issue (CFA). The British side has continued to disclose biased details of discussions among the experts, and also threatened to submit the draft CFA bill *ex parte* to the British-Hong Kong Legislative Council for debate. To hear the Chinese side on this issue, CNS has secured an interview with Zhao Jihua, Chinese leader of the JLG.

Zhao revealed that he was angered by the British side's violation of the principle of confidentiality in relation to the work of the JLG as stipulated in the Sino-British Joint Declaration, and that the British side was misleading the general public by disclosing details of the talks while deliberately distorting the stance of the Chinese side.

The Chinese side has, during and after the previous meeting of the experts, said Zhao, clearly expressed to the British side that we are strongly opposed to any misleading information concocted outside the conference hall that will twist the stance and viewpoints of the Chinese side, through incorrect coverage of the mass media, and exerting pressure on the Chinese side on the pretext of a time-limit.

However, the British side turned a deaf ear to our dissatisfaction and has gone even farther, Zhao continued. A senior official of the British side, on subjects such as judicial jurisdiction, twisted the stance of the Chinese side by falsely accusing that the Chinese side has violated the Basic Law, and has the intent to recover the right of final appeal in Hong Kong. That is total nonsense.

When asked to comment on the British side's unilateral act to present the draft CFA bill to the Legislative Council for debate, Zhao stated that the stance of the Chinese side is firm and consistent. Any important issue beyond 1997, in order to be valid, must be dealt with, by way of mutual discussion and agreement, in strict accordance with the Joint Declaration.

On the CFA issue, the British side has yet to promise not to take any *ex parte* action, and hence has placed

a barrier to mutual talks. The Chinese side is strongly opposed to any unilateral action on part of the British side, before mutual agreement on the draft CFA and related issues are achieved.

Still, Sino-British talks shall not be restricted by any time table because issues such as jurisdiction are very important and complicated that cannot be dealt with in a rush.

Lu Ping: Court of Final Appeal in Place 1 Jul

HK2105020695 Hong Kong SOUTH CHINA MORNING POST in English 20 May 95 p 4

[By Chris Yeung]

[FBIS Transcribed Text] Senior Chinese official Lu Ping yesterday told a group of leading figures in the international business and diplomatic communities that a Court of Final Appeal would be in place on July 1, 1997.

According to a senior diplomat who attended the hour-long breakfast at the Hong Kong Country Club, Mr Lu said firmly: "There will be a court by July 1, 1997. There will be no legal vacuum and no gap in the law".

But the Hong Kong and Macao Affairs Office Director did not say how that would be achieved, the diplomat said.

The hour-long discussion was the first time Mr Lu has had a specific session for the heads of the main consulates and foreign business chambers in the territory. British Senior Trade Commissioner Francis Cornish attended.

The diplomat said most of the speakers believed the best way to boost confidence was for China and Britain to "give signals" of progress on outstanding issues.

"Mr Lu focused a great deal on reassuring the territory. But it's not enough until there are hand-shakes at the high-level," he said.

"The next thing we'd like to see is concrete action. We have enormous business interests here and would like to see a smooth transition."

Another source said one speaker had asked why there was no "senior-level" meeting between Mr Lu and his local counterpart, referring to Governor Chris Patten or the Chief Secretary, Anson Chan Fang On-sang.

Mr Lu said there had always been contacts between officials at working levels across the border.

The senior diplomat said the diplomatic corps was happy with Mr Lu's assurance on the fate of foreign

consulates in the future Special Administrative Region (SAR).

"There have been some concerns that Beijing would impose a new status of consul-generals in Hong Kong after 1997 and bring in new terms.

"But Mr Lu made it clear that China will keep Hong Kong as an autonomous entity.

"Our status will not be changed at all. He also encouraged foreign countries to establish their consulates in the future SAR," he said.

Preliminary Working Committee member Tsang Yok-sing last night called publicly for Mr Lu to invite Mrs Chan to visit Beijing as soon as possible.

In a letter delivered to Mr Lu during a reception Mr Tsang said he was disappointed Mr Lu and Mrs Chan were unable to meet.

"As you (Mr Lu) have said, civil servants are a great asset for Hong Kong people. A meeting with Mrs Anson Chan will be a great encouragement to the civil servants and good news for Hong Kong people," Mr Tsang, chairman of the Democratic Alliance for the Betterment of Hong Kong, wrote.

"Although someone said it would just be a political gesture, such contacts will mark a good start and a new stage in joint efforts between China and Hong Kong people..." he said.

Mr Patten said he hoped Mr Lu would propose a date for Mrs Chan's visit soon.

Government To Rewrite Court of Final Appeal Bill
HK2105073395 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 21 May 95 p 1

[By Assistant Editor Danny Gittings]

[FBIS Transcribed Text] In a last-ditch conciliatory gesture to Beijing, the Government will this week rewrite its Court of Final Appeal (CFA) bill.

The rewrite will bring the bill in line with a Preliminary Working Committee (PWC) blueprint.

The Executive Council [Exco] is expected to be asked on Tuesday to approve amendments to between eight and 10 areas of the controversial bill. Details will be passed to China immediately.

The changes are designed to boost the chances of agreement at next week's make-or-break Joint Liaison Group (JLG) talks on the issue. But if no deal is struck, they will allow the Government to go it alone with a revised bill they argue is based on Beijing's own blueprint.

Exco will be advised to accept all but two points in the PWC political subgroup's detailed blueprint for the CFA, released last Wednesday.

The amendments are technical, and do not involve concessions on principles. They include allowing judges to stay on six years beyond retirement, a limit of 30 foreign and other non-permanent judges eligible to hear cases, and arrangements on who should preside in the Chief Justice's absence.

But two points in the PWC's blueprint have been rejected on the grounds they breach Article 88 of the Basic Law and would jeopardise the court's autonomy.

These are allowing the post-1997 Chief Executive to chair some meetings of the independent commission that chooses who sits on the new court, and excluding this body from deciding which judges can stay on beyond retirement.

Officials were tight-lipped yesterday, refusing to say if changes were imminent. "The PWC sub-group's suggestions are similar to many provisions in our bill. But we are studying the areas where there are differences," said Director of Administration Richard Hoare.

The Government previously criticised the PWC blueprint as lacking sincerity, but now hope to turn it to their advantage by adopting the ideas in it.

Editorial on Hong Kong Appeal Court Dispute

HK2205053295 Hong Kong WEN WEI PO in Chinese 17 May 95 p a2

[Editorial: "There Will Be a Court of Final Appeal in 1997"]

[FBIS Translated Text] In a recent attack on China, Chris Patten insinuated that China was trying to install a power mechanism over and above the Court of Final Appeal [CFA], deprive Hong Kong of its final adjudicatory power, and limit the CFA's jurisdiction. Media controlled by British Hong Kong also dished out the scary news that China was turning the CFA into a "Chinese" court of law. Britain was pursuing such propaganda only to create a favorable opinion climate for itself to unilaterally establish the CPA before China could do anything. Britain has tried to scare Hong Kong people by saying that there will be a "judicial vacuum," with Hong Kong even losing its final adjudicatory powers in 1997 if British Hong Kong is not allowed to establish unilaterally the CPA.

Yesterday, the political panel of the Preliminary Work Committee [PWC] published a position paper stating its principles on the constitution of a CFA for the Hong

Kong Special Administrative Region [SAR]. The paper proved that the PWC has done a very good job. It has put in place a program for various affairs concerning the smooth transition of Hong Kong. Even if British Hong Kong does not cooperate, the establishment of the SAR will not be impeded, nor will there be a "judicial vacuum." By 1 July 1997, the SAR will have a CPA and a complete and independent judicial system.

The position paper lists in great detail the guiding principles for the constitution of the CPA, its composition and that of its trial courts, qualifications required of judges, the appointment of judges and the procedure, judges' tenure, the procedures for judges' termination and resignation, CPA's jurisdiction, litigation procedures, and those for establishing the CPA. The paper explains clearly all the details about the CPA.

After the people of Hong Kong have read the paper, they will realize how absurd and ridiculous the "materials" recently released by Britain are, and how the CFA which Britain's agents are attempting to install in Hong Kong — a nation state-style CPA based on concepts about courts of final appeal in common-law jurisdictions — violates the relevant provisions of the Joint Declaration and the Basic Law.

After 1997, Hong Kong will be a special administrative region under the rule of the PRC, and its CFA can only be a regional one subject to the relevant provisions of the Basic Law. Article 19 of the Basic Law states: "Courts of the Hong Kong Special Administrative Region shall have no jurisdiction over cases relating to the acts of state. Courts of the Region shall obtain a statement from the Chief Executive on questions concerning the facts of state whenever such questions arise in any legal proceedings. This statement shall be binding on the courts." Except for this, the CFA has jurisdiction over Hong Kong's autonomous affairs and various appeal cases. The so-called China depriving Hong Kong of its final authority over appeals and installing another final appeal review authority over the CFA is a rumor designed to mislead Hong Kong people.

On the composition of the CFA, the Legislative Council [Legco], manipulated by Britain, twice vetoed the 1991 agreement between China and Britain. Some pro-British Legco members, citing the "one overseas judge" restriction, attacked the 1991 agreement as lacking in flexibility. The PWC's position paper states very clearly that the CFA will be comprised of four permanent judges, one of whom is the chief judge. Apart from this, there will be a certain number of nonpermanent judges, who will be subdivided into nonpermanent Hong Kong judges and nonpermanent overseas judges (referring to judges from common-law jurisdictions other than Hong

Kong). Such nonpermanent judges should conceivably be no more than 30 in number. The trial court [as published] of the CFA will consist of five judges, four of whom will be permanent judges presiding over trials, while the fifth is to be picked from the nonpermanent judge pool by the chief judge when this is deemed merited by the case.

It is not the case that there will be only one nonpermanent overseas judge; there will be a number of them, who will, subject to the adjudicatory requirements of the case, be selected from the list of nonpermanent judges. Different cases call for the participation of different nonpermanent judges. If an overseas judge is required, the list can provide the candidates, one of whom will be selected as required. Such an arrangement conforms with Article 82 of the Basic Law, which states that the CFA "may as required invite judges from other common law jurisdictions to sit on the Court of Final Appeal." Whether or not an overseas judge is invited depends on the nature and requirement of the case under trial. If required, all kinds of adjudicatory talents are available and those suitable will be invited. The CFA will consist of four permanent judges. The CFA chief judge will decide how to invite overseas judges.

After 1997, Hong Kong will be governed by the people of Hong Kong. Therefore, permanent judges are naturally local judges, who will come from the high court judges of the Hong Kong SAR and barristers with over 10 years of practice in Hong Kong. This fully lives up to the spirit of "Hong Kong people governing Hong Kong." When faced with the problem of the CFA's composition, why do those people who are crying out for "Hong Kong people governing Hong Kong" not want local judges to sit on the CFA, but demand that there be more overseas judges?

Chris Patten has always thought that if he can succeed in disrupting transitional work and undermining consultation, Britain will have the excuse of pursuing unilateral actions and demanding China to recognize an established situation. He has overestimated his power and underestimated the political wisdom of the Chinese and Hong Kong compatriots.

The PWC, by its action, is stating that even if Britain does not work according to the 1991 agreement, it still cannot hinder China and the people of Hong Kong. The post-1997 SAR will pursue matters fully in accordance with the Basic Law and can certainly establish a CFA for the SAR capable of maintaining the confidence of the people of Hong Kong and investors of all countries.

Lu Ping Interviewed on March Tour in U.S.

HK1905135595 Hong Kong WEN WEI PO in Chinese
31 Mar 95 p A2

[Report on interview with Lu Ping by unidentified reporter on 29 March in Boston: "Lu Ping Says His U.S. Tour Has Been Helpful in Boosting Confidence of Various U.S. Circles in Hong Kong"]

[FBIS Translated Text] Lu Ping, director of the State Council's Hong Kong and Macao Affairs Office, and members of the Preliminary Working Committee [PWC], left Chicago on the morning of 29 March for Boston to deliver a speech "Hong Kong After 1997" at Harvard University. Director Lu Ping gave an interview to Hong Kong media and answered questions on the afternoon of 29 March after concluding his U.S. tour.

On Feelings of U.S. Tour

I have visited six cities and met a lot of people, including figures from commercial, political, and legal circles as well as professors and students during my tour of the United States, Lu Ping said. I have also met a number of overseas Chinese. We gave various U.S. circles an account of the Chinese Government's policy toward Hong Kong and the Hong Kong members also expressed, from the angle of Hong Kong people, their views on Hong Kong's future. All this has been helpful for our American friends understanding of the Chinese Government's policy toward Hong Kong and Hong Kong's situation. Besides giving an account of the situation, we also answered many questions. Many American friends are concerned about Hong Kong, but they do not know very much about the problems there. These problems, which are common to us and Hong Kong people, are fresh to the U.S. community. I personally feel that giving them an account of the Hong Kong Basic Law will be helpful for them to understand the future of Hong Kong after 1997 and increase their confidence in Hong Kong.

On Popularizing Basic Law

Lu Ping pointed out that Hong Kong is an international economic city as well as an international financial, trade, and communications center. To maintain Hong Kong's prosperity and stability, the confidence of foreign investors in Hong Kong is of course necessary so that they can continue to do business there. Therefore, it is necessary to continue to publicize the Basic Law in Hong Kong. Five years have elapsed since the promulgation of the Basic Law and yet many people do not have a clear idea of the law and of the principles and policies of the central government. Hence, it is necessary to vigorously publicize the Basic Law in Hong

Kong. We should also publicize the Basic Law at home so that everyone knows why we have adopted such special policies for Hong Kong. Other provinces and cities should understand the Basic Law. All provinces and departments should follow the Basic Law while handling issues concerning Hong Kong in the future. At the same time, all fields should do well the work of publicizing the Basic Law abroad.

On Sino-British Relations

In response to questions on Sino-British ties, Lu Ping said, on our part, we wish to cooperate with the British to ensure a smooth transition. This has always been our desire. We had stressed this point while drafting the Sino-British Joint Declaration. Why was it specially written in the Joint Declaration that British interests in Hong Kong will be protected by the law, which is also embodied in the Basic Law? Because we wanted to cooperate with the British Government to ensure a smooth transition. Herein also lies the reason why we consulted the British and solicited their opinions on the Basic Law articles in the course of the drafting of the law. The legal experts of the two countries frequently exchanged views at the expert meetings. Unfortunately, Britain refused to acknowledge the agreements reached between the two governments in the past. We regard this as a matter of regret. Despite that, we still wish to cooperate with them on other matters. We hope that the British side can adopt a realistic attitude because, after all, they will have to leave after 1 July 1997. They have always said that they want a glorious withdrawal. We hope that they can leave happily and that we will not have to put them on the spot. In a word, we hope that the British side will take practical action and cooperate with the Chinese side. So long as the British side truly wants to cooperate, I believe that many major problems can be turned into minor ones. If they continue to take an uncooperative attitude, even small problems may become big ones.

On Sino-British Consultations on the Budget

While answering a question on Hong Kong's 1997-98 budget, Lu Ping said that what we want to discuss is not merely the 1997-98 budget because the 1996-97 budget is inseparable from the 1997-98 one. Some matters are not matters of a year; they span several years, two, three, or five years. Without consulting us, how can they draft the 1996 budget and ask the special administrative region government to implement it after 1997? What we want to talk about is the convergence of the budget as a whole, which should start from 1996, and there are only two years left. For this reason, we say that the British should be a bit realistic. As they are to leave in two years, they should not always try to talk about

maintaining the authority of the British Government prior to 1997. That is empty talk. They should realize the point that they must withdraw from the stage of Hong Kong in two years. We do not want them to become a "lame duck," but if they refuse to cooperate with the Chinese Government, they will become a "lame duck" even if they do not want to do so. I do not want to see a "lame duck." They will not be a "lame duck" so long as they cooperate with the Chinese Government.

Lu Ping continued: We have stressed that Hong Kong people should participate in the drafting of the budget. The 1997 budget shall be drafted by them and not by us. However, the special administrative region [SAR] is not yet set up, the preparatory committee is not yet established, and the chief executive is not yet elected so nobody knows who will be the financial secretary in the future. If the chief executive-designate and financial secretary-designate are elected, they should of course be in charge of the work. But then it would be too late. It will be too late to deal with the matter at that time. Therefore, we should let Hong Kong people participate in the work now. We are just handling the matter, which will be the responsibility of the SAR government in the future.

Lu Ping stated: First of all, one should not set a prerequisite that only the 1997-98 budget can be discussed and that the Chinese side will only be consulted. On some matters, the Chinese side is not even informed, to say nothing of consultation. For example, in the budget, [Financial Secretary] Macleod said that the land fund will have accumulated to HK\$138 billion [Hong Kong dollars] by 1997. The land fund is actually managed by the Chinese side. You should have asked the Chinese side and solicited the opinions of the members of the Land Committee to see how much the fund would have accumulated to by 1997. Without notifying the Chinese side, he unilaterally announced the figure. Is this a co-operative attitude? He has not even notified us, to say nothing of consultation. The figure should actually be given by the Chinese side. On what grounds did he unilaterally announce the figure? The land fund is not under his management. Such a specific example shows that he is taking an uncooperative attitude. He still refuses to admit the mistake he made. As he has announced the figure of HK\$138 billion, what should be done when we cannot ensure the amount at that time? Is this not trying to make things difficult for the Chinese side? People may ask: Did Macleod not announce the figure of HK\$138 billion? How come the figure has been reduced? Probably you pocketed the money or transferred it to Beijing. It is indeed ridiculous to play such petty tricks.

On the Formation of the SAR Preparatory Committee

On the question of whether more Hong Kong will participate in the Preparatory Committee, Lu Ping replied: An increasing number of Hong Kong people will join the Preparatory Committee. The proportion of Hong Kong people will also increase during the formation of the SAR Preparatory Committee. The relevant departments in China will also participate in the formation because these departments are related to the transfer of power in Hong Kong.

Lu Ping continued: I have seen so many overseas Chinese in the United States. Although they are born abroad, they have the motherland at heart and hope that the motherland can become powerful. To China, the recovery of Hong Kong is a great event of wiping out our national disgrace. For the Hong Kong and Taiwan compatriots and the vast numbers of Chinese nationals abroad, they regard it as an honor, which will go down in history. I am deeply impressed at the high patriotic sentiments they have shown.

On SAR Passports

On the question of SAR passports, Lu Ping said: A sample passport has been printed and we have solicited the opinions of the Hong Kong Immigration Department, which needs a slight alteration. The sample will be printed after the alteration. Then we will have to go to the embassies to discuss with the governments of various countries. On the one hand, we plan to publicize the passport, and on the other hand, we intend to discuss mutual exemption of visas. I saw reports carried in the papers a few days ago which said that the British Government is not willing to publicize the mutual exemption of visas. Yesterday someone seems to have denied the reports. I don't know what has actually happened. I think Britain should take the lead in offering exemption of visas to Hong Kong people. It is not a unilateral matter but one of mutual benefit. If you exempt Hong Kong people from visas, Hong Kong will also exempt the British from visas. If you refuse to do so, Britons must get a visa before coming to Hong Kong. Since Britain has a long historic connection with Hong Kong and has huge interests there, Britain should take the lead under such circumstances.

Zhou Nan Urges Involvement in Preparatory Work
OW1905144595 Beijing XINHUA in English
1429 GMT 19 May 95

[FBIS Transcribed Text] Hong Kong, May 19 (XINHUA) — A senior Chinese official today urged the Hong Kong people to be more actively involved in the

preparatory work for the Hong Kong Special Administrative Region (SAR).

The call was issued by Zhou Nan, director of XINHUA NEWS AGENCY Hong Kong Branch, at a reception tonight in honor of the Chinese mainland members of the Preliminary Working Committee (PWC) of the Preparatory Committee for the HKSAR, who are here for a two-week meeting.

Zhou said that the Preparatory Committee for the HKSAR will be set up early next year, which will mark the formal beginning of the preparatory work for the HKSAR.

He called on members of the PWC to speed up work by redoubling their efforts.

He also called on the Hong Kong residents to be more actively involved in the PWC's work by offering their ideas and working unitedly for Hong Kong's smooth transition and its prosperity and stability.

Since its establishment in 1993, Zhou said, the PWC has been actively involved in the early-stage preparatory work for the future HKSAR and has made significant progress in its study of a series of important issues concerning the smooth transition in Hong Kong and the establishment of the HKSAR.

Practice has proved that it is imperative to set up the PWC, he said, adding that the PWC has laid a good foundation for the preparatory work for the establishment of the HKSAR.

Zhou emphasized that the tremendous and useful work done by the PWC is inseparable from the strong support of the Hong Kong people.

He said that the PWC has already established channels which have enabled itself to communicate and keep in close touch with the local people.

The latest activities carried out by the PWC in Hong Kong have fully shown that the PWC is truly serious about listening to the views and suggestions of the Hong Kong people, he said, adding that such activities will be further strengthened in the future.

Lu Ping, director of the State Council's Hong Kong and Macao Affairs Office, attended today's reception hosted by the XINHUA branch bureau.

More than 400 guests were present at the reception, including a number of local celebrities such as Ann Tse-kai, vice chairman of the Chinese People's Political Consultative Conference (CPPCC), Henry Fok Ying-tung, also a vice chairman of CPPCC, and Run Run Shaw, a local magnate.

Committee's Members Visit Immigration Office

OW2105005495 Beijing XINHUA Domestic Service in Chinese 1537 GMT 12 May 95

[By reporter Sun Chengbin (1327 2110 2430)]

[FBIS Translated Text] Hong Kong, 12 May (XINHUA) — At the invitation of Liang Mingyan, director of the Hong Kong People's Immigration Office, Preliminary Committee Social and Security Group members visited the immigration office this afternoon.

Accompanied by relevant immigration office officials, members of the group inspected and got acquainted with the office's operating process in issuing passports and with its computer systems.

After the inspection, Fan Xu Litai, head of the Social and Security Group, said: The time for the inspection was limited. We could only gain a superficial understanding through cursory observation, but it will be helpful to the group's studying matters of issuing Hong Kong Special Administrative Region [SAR] travel documents and passports in the future.

Fan Xu Litai pointed out: The Basic Law explicitly stipulates that the central government empowers the SAR government to issue SAR travel documents and passports. The questions of how and where passports should be created are still being studied.

She stressed: In handling this question, the Chinese Government has asked various quarters for their opinions. She pointed out: An expert group under the Sino-British Joint Liaison Group has thoroughly studied this question.

Liang Mingyan, head of the Hong Kong People's Immigration Office, said the main purpose for inviting Preliminary Committee members to visit the office was to give them a better understanding of the process of issuing passports. He maintained that security work is very important in making and issuing passports.

This afternoon, Social and Security Group members were also invited to visit the Madame Youde Hospital in the Eastern District.

Coverage of Current PWC Meetings, Issues

Legal Panel Ends Meeting

OW2005172895 Beijing XINHUA Domestic Service in Chinese 1412 GMT 15 May 95

[By reporter Sun Chengbin (1327 2110 2430)]

[FBIS Translated Text] Hong Kong, 15 May (XINHUA) — On 15 May, the Legal Panel under the Preliminary

Working Committee [PWC] of the Hong Kong Special Administrative Region [SAR] Preparatory Committee ended its 13th meeting in Hong Kong. The meeting discussed the work report, which is to be submitted to the Fifth Plenary Session of the PWC of the Hong Kong SAR Preparatory Committee, and worked out preliminary arrangements for the next half year's work.

In his interview with this reporter, Legal Panel chief Shao Tianren said: In the next half year, the Legal Panel's major tasks include the following four areas: 1. Continue examining current Hong Kong laws and offering opinions for handling these laws; 2. Continue discussing issues concerning legal cooperation and assistance between the Hong Kong SAR and the mainland after 1997; 3. Discuss issues concerning amendments to the national laws included in Appendix III of the Hong Kong SAR Basic Law, which are applicable to the Hong Kong SAR; and 4. Study the amendments to current Hong Kong laws, which were unilaterally made by the Hong Kong British Government during the post-transition period, and offer suggestions.

Shao Tianren said: The Legal Panel hopes to complete examining current Hong Kong laws by the end of this year, put forward opinions for handling these laws, and give a report in this field at the Fifth Plenary Session of the PWC of the Hong Kong SAR Preparatory Committee at the end of this year. He revealed: Some 150 Hong Kong laws and regulations and some auxiliary laws have not been examined yet.

Shao Tianren said: Article 18 of the Hong Kong Basic Law stipulates that after soliciting opinions from its Hong Kong Basic Law Committee and the Hong Kong SAR Government, the Standing Committee of the National People's Congress may make adjustments to the applicable national laws included in Appendix III of the Hong Kong SAR Basic Law. The Basic Law has been promulgated for five years and we need to carefully study issues concerning making adjustments to the applicable national laws included in Appendix III of the Hong Kong SAR Basic Law. These issues include whether we should add or take away some national laws included in Appendix III of the Hong Kong SAR Basic Law in accordance with changes that have taken place in central legislation and whether we should replace some national laws with new ones. The Legal Panel of the PWC of the Hong Kong SAR Preparatory Committee has conducted preliminary discussions about these issues and will continue discussions during the next half year and put forward opinions.

Shao Tianren said: During the post-transition period, the Hong Kong British Government made major amendments to some current Hong Kong laws. This move

weakened the administrative power of Hong Kong's administrative organs and greatly changed Hong Kong's original political system in which administrative organs were more dominant than others. Moreover, it is unfavorable to improving administrative efficiency and will affect social stability and prosperity. The Legal Panel will study these amendments and put forward some opinions.

He said: The Legal Panel's arrangements for work during the next half year are only initial opinions of panel members. The panel will give reports at the Fifth Plenary Session of the PWC of the Hong Kong SAR Preparatory Committee.

Meanwhile, Lu Ping, vice chairman and secretary general of the PWC of the Hong Kong SAR Preparatory Committee, will arrive in Hong Kong with mainland members of the Administrative Affairs Panel of the PWC of the Hong Kong SAR Preparatory Committee this afternoon. The Administrative Affairs Panel will hold a meeting beginning tomorrow.

PWC Group Proposes Powers

HK1905152695 Beijing ZHONGGUO XINWEN SHE
in English 1231 GMT 19 May 95

[FBIS Transcribed Text] Hong Kong, May 19 (CNS) — The political sub-group of the Preliminary Working Committee (PWC) for the Special Administrative Region (SAR) Preparatory Committee put forward proposals concerning the authority of office held by the Preparatory Committee, in accordance with relevant decisions made by the National People's Congress (NPC).

Making a work report to Hong Kong members to the NPC, members to the Chinese People's Political Consultative Conference, advisers of Hong Kong affairs and district advisers, the sub-group listed some powers to be enjoyed by the preparatory committee.

First, the preparatory committee will organize a selection committee for establishment of the first SAR government and also confirm the way from which the selection committee is set up.

Second, the preparatory committee will help organize the first Hong Kong SAR government and confirm the way from which the chief executive is chosen for the SAR and arrangement for the first administrative session. The committee will be responsible for selection of the chief executive and for establishment of government organs and relevant legitimate bodies and consultation organizations. It is also up to the committee to make arrangements for the retaining of civil servants who worked for the original government.

Third, the committee will make preparations for the setting up of the first legislature for the SAR, including the way from which the legislative body is founded. The committee is also responsible for monitoring the first election of members to the legislative body. Before the establishment of the legislature, the committee has to help set up a temporary legislature.

Fourth, the committee has to work out some measures to deal with the possible vacancies at the regional level mainly due to the failure to get the first regional organizations set up promptly for the SAR.

Fifth, the committee will help set up judicial organs for the SAR, including that of the court of final appeal and making arrangement for judges and judicial personnel for retaining their posts in the SAR.

Sixth, policy oriented proposals and measures will be studied and put forward by the committee in order to maintain a steady transition in the economic, financial, social, educational and cultural sectors.

Seventh, the committee has to deal with legal matters concerning a steady transition. It can make suggestions for handling some of the Hong Kong laws which go against the Basic Law designed for the SAR.

Eighth, the committee has to make preparations for an inaugural ceremony and activities in celebration of the establishment of the Hong Kong SAR.

Ninth, the committee is also responsible for other relevant matters for the setting up of the SAR.

The political sub-group will study the formation and operation of internal entities, including some subordinate special teams within the committee. The kind of work offices or liaison offices to be set up in Hong Kong has to be considered while the headquarters of the committee is based in Beijing.

Taking into consideration that the burden of setting up the Hong Kong SAR Preparatory Committee is a heavy one, especially when the designate Chief Executive and principal officials will have to be nominated prior to January 1, 1997 in order to familiarize with the government operations, the sub-group recommends that the PC be set up in January 1996. After the SAR is formed, the PC will remain there until the birth of SAR government, legislative and judicial organs.

The PC must be able to represent the society, and its members will include prominent figures from different sectors. It will not be a small committee but, as the sub-group opined, be composed of 100 to 150 members, led by a senior member and several deputy senior members. Regarding the PC's composition, the proportion of Hong Kong members, who must be permanent citizens of

Hong Kong, will form over fifty percent and therefore will have a greater say, so that the spirit of "Hong Kong managed by people of Hong Kong" and "a high degree of autonomy" can be truly reflected.

Economic Subgroup Ends Meeting

OW2005143295 Beijing XINHUA in English
1359 GMT 20 May 95

[FBIS Transcribed Text] Hong Kong, May 20 (XINHUA) — The Preparatory Working Committee (PWC) Economic Subgroup of the Preparatory Committee for the Hong Kong Special Administrative Region ended its 16th meeting here today with a decision to speed up its work in the second half of the year.

During its two-day meeting, the subgroup reviewed its work since the fourth PWC fourth plenary session last December, involving feasibility study of the drafting work of Hong Kong's financial budget, the policies over the trade and financial relations between the mainland and Hong Kong after 1997.

The subgroup decided to appoint four PWC members including Sze-yuen Chung, Nellie Fong Wong Kut-man, Shao You-bao and Philip Wong Yu-hong to be advisers to the Chinese experts team of the Sino-British Joint Liaison Group (JLG) on Hong Kong's financial budget for the transition period.

The group was briefed by a Chinese JLG representative on the progress in the negotiations between the Chinese and British sides over Hong Kong Airport Corporation Bill and two supporting financial agreements concerning the new airport.

The group expressed appreciation with the consensus over the corporation bill. It urged the British side to stop creating obstacles on the supporting financial agreements so as to conclude them as soon as possible on the basis of the Agreed Minute on the overall financing arrangements for the construction of the new airport.

'Roundup' Views PWC

OW2105131995 Beijing XINHUA in English
1250 GMT 21 May 95

["Roundup" by Li Huailin: "PWC Speeds Up Work for Hong Kong's Transition"]

[FBIS Transcribed Text] Hong Kong, May 21 (XINHUA) — With four of its subgroups concluding their meetings here over the weekend, the Preliminary Working Committee (PWC) of the Preparatory Committee for the Hong Kong Special Administrative Region (SAR)

is accelerating its work for Hong Kong's transition in mid-1997.

In a two-week period, the PWC political, economic, legal and social security subgroups held a train of meetings, talks, interviews and seminars and made home visits to make extensive contacts with local people in different walks of life.

PWC members attentively listened to opinions and suggestions from the public through various channels. In a direct and candid way, they informed the communities of PWC's work.

The political panel invited representatives from 16 trade unions of civil servants to a forum in a bid to enhance contacts between civil servants and PWC members.

Lu Ping, Director of the Hong Kong and Macao Affairs Office of the Chinese State Council, was present at the forum and exchanged views with them.

Lu assured them of China's resolve to implement the SAR Basic Law after 1997, adding that "no civil servants will be subjected to political screening, and we do not need to know about the personal private affairs of the civil servants."

He urged the civil servants to drop misgivings and continue to work for the Hong Kong SAR after June 30, 1997.

Xiao Weiyun, co-conveners of the political panel, told the leaders of local social associations about the planned formation of the SAR Preparatory Committee.

He said that at the end of this year, the Standing Committee of the Chinese National People's Congress (NPC) will select 100 or 150 members to form the committee so that it can begin work in January 1996.

According to Xiao, the political panel suggested that more than half of the committee members should be selected from the local media.

The economic subgroup last week sponsored a seminar on Hong Kong's role as an international financial center towards 1997 and beyond, which was attended by 1,200 people and heard speeches by senior Chinese officials and world-known financial experts from Britain, France, Japan and the United States.

The economic panel at its 16th meeting appointed four members to be advisers to the Chinese experts team of the Sino-British Joint Liaison Group on Hong Kong's budget for the transition period.

The meeting of the legal panel was devoted to the discussion and examination of Hong Kong's laws and ordinances.

Shao Tianren, Chinese convener of the group, said that most of the existing laws and ordinances in Hong Kong will basically remain unchanged.

He said that his panel has so far examined some 400 out of the 600-plus existing laws and ordinances and the examination of the remaining 150 laws is expected to be completed by the end of the year.

He called on the public to guard against the tendency of weakening the executive power as a result of the newly-amended laws which were issued by British Hong Kong authorities in recent years.

The PWC social security panel held separate talks with representatives of local social welfare circles and leaders of the trade unions of local disciplined forces in addition to its own meeting from May 9 to 12.

Its members visited a number of residential sites including a makeshift living quarter in Shatin to see the problems facing the local people.

Tian Qiyu, vice-minister of Chinese Public Security, attended the panel activities and made a speech stressing joint efforts to combat cross-border crimes.

Article Views Reporters' Rejected Applications

HK2205023095 Hong Kong LIEN HO PAO
in Chinese 19 May 95 p 3

[By LIEN HO PAO Mainland News Center: "Mainland Chinese Authorities Reject Hong Kong, Taiwan Reporters' Applications to Cover News in China in the Run-up to the 4 June Incident Anniversary"]

[FBIS Translated Text] In the run-up to the sixth anniversary of the 4 June Incident, the mainland authorities recently stopped approving news-covering applications from mass media outside the mainland.

Reportedly, when Hong Kong and Taiwan reporters recently applied to cover news on the mainland, their applications were all turned down by the Information Office and the Taiwan Affairs Office of the State Council. Taiwan reporters in Beijing also left successively after the expiration of their visas.

In addition, the Cross-Strait Financial Symposium, which was originally scheduled to be held in Beijing on 18 May, was postponed for unknown reasons. Some mainland officials privately told Taiwan reporters that their applications for covering news on the mainland would not be approved in the near future, and they may resubmit their applications after 4 June.

Security Criticized After XINHUA Office Incident

HK2105020595 Hong Kong EASTERN EXPRESS
in English 20-21 May 95 p 1

[By Rain Ken and Niall Fraser]

[FBIS Transcribed Text] A security row has blown up after a man broke into the headquarters of the local office of the New China News Agency (Xinhua) yesterday and allegedly punched a security guard in the face.

Chinese officials have criticised security arrangements outside Xinhua's Wan Chai offices — which are the responsibility of the police — in the wake of the incident.

Zhang Junsheng, the deputy director of Xinhua, has described the incident as "very serious".

A man surnamed Choy, 47, broke into the front gate of the Xinhua building at 10.55am yesterday and allegedly punched a Xinhua security guard, Xu, in the left eye.

Choy was arrested and taken to Happy Valley police station, where he was charged with assault.

"Our branch office is an organisation set up in Hong Kong by the Central Government of China.

"The Hong Kong Government has the responsibility for our safety," Zhang said.

"It is not allowed that somebody break into an ordinary citizen's home, let alone the office building of Xinhua," Zhang said.

"I think the Hong Kong Government should take this incident seriously and deal with it swiftly, because Xinhua is not an ordinary working organisation."

A police spokesman said last night: "Security inside the building is their (the Chinese) responsibility. Outside is a public place and is in our jurisdiction. We would not station an officer outside unless they made a special request," he said.

Xu was taken by the police to a Government hospital while Choy was taken to another clinic, refusing to be in the same ambulance as Xu.

A similar row broke out after the Tiananmen massacre, when Chinese officials criticised the Government after shots were fired at an adjacent building owned by Xinhua.

Britain Warned Over Airport Talks 'Obstacles'

OW2005100495 Beijing XINHUA in English
0955 GMT 20 May 95

[FBIS Transcribed Text] Hong Kong, May 20 (XINHUA) — A spokesman of the Chinese side of the Airport Committee of the Sino-British Joint Liaison Group (JLG) here today urged the British side to stop creating new obstacles in the negotiations on the two supporting financial agreements for the Hong Kong's new airport.

According to the spokesman, on May 18 and 19, Hong Kong newspapers carried speeches of the British Senior Representative of the JLG and a British Hong Kong Government spokesman which disclosed the negotiations on the two supporting financial agreements for the new airport in violation of agreed rules and distorted the facts.

The spokesman said that in its fourth draft of the airport financing plan submitted to the Chinese side on February 2, 1994, the British side did not mention any additional equity support.

After several months of negotiations on the basis of the fourth draft, the Chinese and British sides signed the Agreed Minute on the overall financing arrangements for the construction of the new airport on November 4, 1994.

The first item of the Minute stipulates that the British Hong Kong Government will make arrangements to inject equity of not less than 60.3 billion HK (Hong Kong) dollars into the new airport. The total borrowings in respect of the new airport and the airport railway outstanding at the time the two projects are completed will be not more than 23 billion HK dollars, including a borrowing of 11.6 billion HK dollars for the Provisional Airport Authority and 11.4 billion HK dollars for the Mass Transit Railway Corporation (MTR). Such borrowings will not need to be guaranteed or repaid by the government.

However, the spokesman pointed out, before the ink of the Minute dried, the British side introduced on November 9, 1994, the new concept of "project debt — additional equity support" into the supporting financial agreement drafted by the British Hong Kong Government and MTR, stating that when or before the airport railway is completed, if MTR's borrowing exceeds or is estimated to exceed 11.4 billion HK dollars, MTR can apply for "additional requirement" to the government at any time and the government shall pay it with additional equity, so that MTR's debt will not exceed 11.4 billion HK dollars.

Meanwhile, the British side also introduced similar concept into the supporting financial agreement drafted

by the British Hong Kong Government and the Airport Authority, he said.

Later, in the negotiations between the Chinese and British sides, the British side asked to change "project debt — additional requirement" into "additional equity support."

In fact, the Chinese spokesman said, in the above two supporting financial agreements, there are already supporting financial measures for the Airport Authority and the MTR. The concept of "additional equity support" raised by the British side is nothing but a new obstacle to the negotiations.

The Chinese spokesman went on to say that after several months of negotiation, the Chinese and British sides reached consensus on most parts of the two supporting financial agreements with the exception of the "additional equity support."

As a matter of fact, he said, the Chinese side with a view to promoting progress in the negotiations, already gave the greatest possible consideration to what the British side wanted.

The Chinese side agreed that "additional equity support" can be arranged by the government on certain conditions.

However, the spokesman said, in the last stage of the negotiations, the British side raised another point, namely, the government must satisfy the requirement for "additional equity support" raised by the Airport Authority and the MTR "on any condition."

"Isn't that new obstacle laid to the negotiations between the Chinese and British sides?" the spokesman asked.

The spokesman noted that with the year 1997 approaching, time is very pressing. Any negotiation requires that the two sides should make the effort, and no results can be achieved by relying on the effort of one side.

He said that the British side reached out for a yard after taking an inch, put obstacles to the two supporting financial agreements and even shifted the responsibility for the failure to reach agreement on the issue to the Chinese side.

He said that it is the sincere hope of the Chinese side that the British side stops creating new obstacles and honestly negotiates with the Chinese side in accordance with the Agreed Minute on the overall financing arrangements signed last November so as to reach agreement on the two supporting financial agreements at an earlier date.

UK, Mainland 'Fracas' Seen Over Terminals

HK2105020295 Hong Kong EASTERN EXPRESS
in English 20-21 May 95 p 1

[By Wing Kay Po]

[FBIS Transcribed Text] Britain and China are heading for a new fracas, with China demanding that the projects to build Container Terminals 10 and 11 be discussed in the Joint Liaison Group (JLG), following the deadlock over the ill-fated CT9 project.

The Chinese side of the Land Commission yesterday refused to grant land for the building of CT10 and CT11 on Lantau Island before it is given permission by the JLG.

The two sides yesterday did agree to release 132.93 hectares of land for the 1995-96 financial year, of which 45.11 hectares is for residential, commercial and industrial development.

In the first meeting of the commission this year, China grounded the British proposal for allocating land for the three terminals.

The leader of the Chinese team in the Land Commission, Chen Rongchuan, said the JLG would have to scrutinise and approve the environmental impact assessment studies for the reclaimed land on which CT10 and CT11 are to be built, before land could be granted for their development.

China has recently expressed concern over the reclamation projects being undertaken in Hong Kong.

They fear that reclamation could narrow the shipping route of Victoria Harbour and affect shipping safety and marine ecology.

The CT9 project has been held back at the JLG because China has demanded that Britain re-tender the project. China objected to the awarding of the franchise to a consortium led by the British hong Jardine Matheson.

Chen said the commission can reconvene at any time to discuss land allocation for these terminals as soon as the JLG gives the go-ahead for the projects.

The leader of the British team and the new Secretary for Planning, Environment and Lands, Bowen Leung, expressed disappointment at the failure of the two sides to agree on the allocation, warning of the economic losses the delay could cost Hong Kong.

The programme comprises 45.11 hectares for commercial, residential and industrial development, compared to the 38 hectares granted last year.

Of the 45.11 hectares, 1.9 hectares are for industrial development, and 23.8 hectares are earmarked for the development of the Tung Chung New Town and the airport railway as part of the new airport development.

The two sides agreed to provide 40 hectares for the Home Ownership Scheme, Sandwich Class Housing Scheme, Private Sector Participation Scheme, Hong Kong Housing Society development and Village Housing; 16.23 hectares for public utilities, educational, welfare, religious, recreational and other uses; and 31.59 hectares as special requirements.

Mainland Considers Approach to Petitioners

*HK2105020895 Hong Kong HONGKONG
STANDARD in English 20 May 95 p 4*

[By M.Y. Sung]

[FBIS Transcribed Text] China is considering a gentler and kinder approach toward people who disagree with its government and hand petitions to its local envoys.

An official from the delegation of Hong Kong and Macao Affairs Office [HKMAO] Director Lu Ping admitted in confidence yesterday that his government now realised its stern image was outdated and that it would like to woo the people here "by getting closer to them".

For a start, Xinhua may be prepared to receive petitions in much the same way that the police at the Government House entrance also take such materials from protesters on behalf of the Governor.

A precedent seemed to have been set on Thursday when the HKMAO chief of political affairs, Zhang Xiaobing, accepted a petition from demonstrators who demanded freedom for imprisoned Ming Pao reporter Xi Yang.

Mr Zhang also shook the hand of the person who handed him the protest letter. Mr Lu was attending an economic seminar at the Convention and Exhibition Centre at the time.

The switch from aloofness to glasnost from an official in Mr Lu's delegation was a marked contrast to the contempt with which a Xinhua officer once took a petition letter at the portal and threw it away in the glare of television cameras.

Editorial Accuses UK of Effort To Retain Power

*HK2205030695 Hong Kong WEN WEI PO in Chinese
1 May 95 p A2*

[Editorial: "Transfer of Power Is Matter Between China, Britain"]

[FBIS Translated Text] The latter period of Hong Kong's transition has already entered the fifth month of the crucial year 1995, and seven months from now the Preparatory Committee of the Special Administrative Region [SAR] will be formed to take charge of the matters of establishing the SAR and organizing the selection committee for electing the chief executive, however, the British side has up to now been using many excuses to refuse cooperation with the Chinese side in the matter of transferring power, and is creating trouble for a smooth transition.

Annex II of the Joint Declaration stipulates that the duties of the Joint Liaison Group to be established by the Chinese and British Governments are: "First, carry out consultation on implementation of the Joint Declaration; second, discuss matters related to a smooth transfer of power in 1997; and third, exchange information on the matters discussed and agreed by both sides, and carry out consultations on those matters." In addition, it also stipulates that in the latter period of the transition, there is a need for the Chinese and British sides to carry out closer cooperation, and that the Sino-British Joint Liaison Group should jointly examine the measures needed for a smooth transition in 1997. The relevant articles of the Joint Declaration clearly stipulate that the transfer of power over Hong Kong is a matter between the two countries of China and Britain, and the governments of the two countries, through the Joint Liaison Group, should examine matters related to the transfer of power and matters straddling 1997, whereas the problems on which the Joint Liaison Group cannot reach a consensus must be submitted to the two governments for solution through consultation.

However, regarding the issue of transfer of power, the British side has resorted to the trick whereby it "superficially hands over power but refuses to in reality."

What do we mean by saying that it "superficially hands over power but refuses to in reality?" We mean that, like Douglas Hurd has said, "return Hong Kong's sovereignty to China" but avoid mentioning the issue of transferring administrative power to China. However, sovereignty and administrative power are inseparable, and when the British side "superficially hands over power but refuses to in reality," it is in fact trying to separate sovereignty from administrative power and to view the transfer of sovereignty merely as a formality and to actually keep administrative power beyond 1997. The British side has said that the transfer of power is a matter between the British Hong Kong authorities and the SAR's chief executive; according to this logic, Patten said that only after the Preparatory Committee is formed and the chief executive chosen, will the British Hong Kong authorities cooperate and hand over data on civil servants to the chief executive-designate. Obviously, this kind of cooperation, as is mentioned by Patten, is not cooperation between China and Britain, but "cooperation" between the British Hong Kong authorities and the chief executive-designate.

What merits attention is that the British side is also arranging a group of secretary-level officials with the purpose of having them straddle 1997. Under the circumstances where the chief executive has yet to be elected, the British side not only wants the Chinese side to recognize this group as the major group of officials of the future SAR government, but also creates opinion saying that the candidate "recommended" by the British side for the post of chief executive is the "best candidate." It is thus clear that when the British side talks about so-called "cooperation" between the British Hong Kong authorities and the SAR government, it is in fact forming a group at its own discretion before 1997, is deciding on post-1997 matters which are beyond its jurisdiction, and imposing its will on the SAR government. The British side has two kinds of position regarding the handing over of data on senior civil servants and of government files and assets; in the first position it says it will hand them over to the chief executive-designate, and in the second expression it says it will hand them over to the Chinese side before 1997 (at midnight on 30 June?) What this implies is that if the Chinese side does not accept the group of officials chosen by the British side, then, in the area of transferring power, the British side will delay things to the last minute to create obstacles and difficulties for the organization of the SAR government and for its operation in 1997.

This trick by the British side, which "superficially hands over power but refuses to in reality," is just an old trick it used in the past during the Sino-British negotiations

when the British side attempted to "give sovereignty in return for administrative power." However, China's resumption of sovereignty over Hong Kong is not kind of formality, but is a substantive matter. The Basic Law stipulates that when the Chinese Government "resumes sovereignty over Hong Kong, the Hong Kong SAR will be established according to the provisions of Article 31 of the PRC Constitution," and "the National People's Congress will authorize the Hong Kong SAR to practice a high degree of autonomy according to this Law (the Basic Law)." The source of power of the Hong Kong SAR comes from the Chinese Constitution, and National People Congress grants such power.

Therefore, the Chinese and British Governments should first implement the Joint Declaration, that is, realize a transfer of power, then China's National People's Congress will authorize the SAR Government to administer Hong Kong and practice a high degree of autonomy according to the Basic Law. If the British side arranges a group and gives it to the SAR in a compulsory manner, or if the British Hong Kong authorities "grants" power to the SAR Government, then it is not only a distortion of the spirit of the Joint Declaration, but is also an attempt to create difficulties in terms of time and procedure for the Chinese side as it resumes sovereignty and organizes the SAR government.

At present, the Chinese side has already put the work of organizing the Preparatory Committee on the agenda, and the British side should, according to Annex II of the Joint Declaration, closely cooperate with the Chinese side in the transfer of power and the important matters that straddle 1997. For example, data on civil servants, government files, and lists of government assets should be handed over to the Chinese side as soon as possible; the Chinese side should be fully consulted on the budgets for the next two years, and, in particular, the Chinese side should take part in drafting the budget for fiscal year 1997-98, and should play a dominant role. Regarding other important matters which straddle 1997, such as amendments to laws, the establishment of the Court of Final Appeal, construction of infrastructure projects which straddle 1997 or involve both Hong Kong and China, and the granting of franchise rights—whatever matters require the future SAR Government to shoulder obligations and responsibilities—the British side should take action only after reaching agreement with the Chinese side. Regarding the issue of a smooth transition, there are still many artificial obstacles, for example, the British Hong Kong authorities still ban civil servants from communicating with the Preliminary Working Committee, and this hinders them from making proposals that have rich administrative experience to the Chinese side and is not conducive to increasing

their confidence in a smooth transition and in staying to serve the SAR. And, for example, concerning the issue of waiving the visa requirement for Hong Kong SAR passport holders to visit Britain, the British side is still reluctant to play an exemplary role. Is the British side still trying to cling to an uncooperative attitude and stance in the area of the implementation of the Joint Declaration?

Concerning the transfer of power over Hong Kong and the important matters that straddle 1997, any trick by the British side, such as "giving sovereignty in return for administrative power" or "superficially handing over power but refuses to in reality," cannot work, and neither can any attempt to impose unilateral arrangements upon the SAR Government. Only consultation with the Chinese Government on the transfer of power, removal of obstacles, and cooperation are conducive to the development of Sino-British relations and to Hong Kong's smooth transition.

Editorial Views Reappraisal of '4 June'

HK2105073695 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 21 May 95 p 12

[Editorial: "Can Beijing Silence Voices of Dissent"]

[FBIS Transcribed Text] June 4 is more than two weeks away, but already Beijing is beginning to get jittery about the potential for protest as the sixth anniversary of the Tiananmen Square crackdown nears. That explains the disappearance, and apparent detention, of a number of dissidents in the Chinese capital over the past few days. Among those arrested were poet Huang Xiang and author Liu Xiaobo for their participation in two petitions presented to the authorities last week calling for the release of all those jailed for taking part in the 1989 pro-democracy crackdown.

Many more such arrests are to be expected over the coming fortnight, as the mainland authorities nervously await what seems likely to be the most sensitive anniversary of Tiananmen for several years.

With Deng Xiaoping ailing and the Chinese leadership paralysed as a result, mainland dissidents have become bolder than ever in their call for greater political freedoms and democracy. Barely a month now passes without some new pro-democracy group emerging to challenge the regime.

Emboldened by how even Deng's daughter, Deng Rong, has now hinted at a "reconciliation" with them, in her controversial interview with *The New York Times*, the dissidents believe a reversal of the official verdict on June 4 is now within their sights.

For now, at least, they are wrong. To re-open the divisive discussion over this at a time of such uncertainty would be unthinkable.

Any attempt to have Tiananmen reconsidered by the authorities can only be met with great resistance, if not an iron fist.

At the same time, those who set their sights on the long-term are unlikely to be deterred. President Jiang Zemin, Deng's designated successor, played no part in the Tiananmen crackdown. Qiao Shi, his closest rival, abstained in the crucial politburo vote to send in the troops.

There may well come a time when they see it as in their interests to re-appraise the events of June 4. If Deng Rong can hint at that, it could certainly happen. But no one should expect that for some time to come.

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